# CROSS-REFERENCE FILE

## NOTE

**SUBJECT** Effect of the Moscow-Berlin pact on the situation in the Balkans; Any effective bloc in the Balkans in which Rumania or Turkey is a party is thus very much concerned with attitude of the Soviets.

770.00/667

**For the original paper from which reference is taken**

See #506
(Despatch, telegram, instruction, letter, etc.)

Dated Oct. 15, 1939 From / To Belgium (Davies)

File No. 740.0011 European War, 1939/1035

U. S. GOVERNMENT PRINTING OFFICE 1—1540

WML

# CROSS-REFERENCE FILE

## NOTE

**SUBJECT** Rumors of German troop movements towards the Balkans are without foundation according to Rochat. He expects no early military action in that direction.

mr

770.00/668

**For the original paper from which reference is taken**

See ---Tel. #2771, 7 p.m.---
(Despatch, telegram, instruction, letter, etc.)

Dated ---Nov. 16, 1939--- From / To } ---France (Bullitt)

File No. ---740.0011 European War, 1939/1028---

U. S. GOVERNMENT PRINTING OFFICE 1—1540

CSW

# CROSS-REFERENCE FILE

## NOTE

**SUBJECT** Suggestion of Macek and Serbian leaders for the formation of an Adriatic bloc to consist of Greece, Albania, Yugoslav, Hungary and Italy.

mr

**For the original paper from which reference is taken**

**See** Tel. #312, 2 p.m.
(Despatch, telegram, instruction, letter, etc.)

**Dated** Nov. 17, 1939 **From / To** Hungary (Montgomery)

**File No.** 740.0011 European War, 1939/1045

U. S. GOVERNMENT PRINTING OFFICE 1—1540

770.00/669

Shown to MID
SPA

RDC
SR
LWH
EU

# TELEGRAM RECEIVED

RFP
This telegram must be closely paraphrased before being communicated to anyone. (br)

FROM

Belgrade

Dated November 20, 1939

Rec'd 9:33 p.m.

DIVISION OF EUROPEAN AFFAIRS
NOV 21 1939
DEPARTMENT OF STATE

Secretary of State

Washington

345, November 20, 6 p.m.

770.00/670

770.00 Note

The general impression in Government and diplomatic circles is that the proposed Balkan neutral bloc has little chance of consummation. Even though the project may be unsuccessful, however, the discussions have been of service in giving a more clear indication of the respective policies of the interested states and in showing that unless and until some constructive steps are taken to satisfy in some degree those countries with territorial aggressive indications (i.e. Hungary and Bulgaria) there is slight possibility of any unity of action in the Balkans.

Although Yugoslavia apparently gave the project its mild blessing when it was presented by Rumania, I am told at the Foreign Office that Yugoslavia now shares the Italian attitude of awaiting the outcome of the negotiations with all the prospective members before voicing enthusiastic support, the silence of Turkey is attributed to the influence of France which apparently has two objections to the formation of a bloc: (one) opposition to Italy's playing a dominant

political

GML

political role in the Balkans, and (two) fear lest Turkey's inclusion in a neutral bloc might prejudice Turkey's pledged support to France. (The French Minister left suddenly for Paris Saturday night.) The Foreign Office does not agree with the views of the Bulgarian Minister, as reported in 342, November 15, 11 a.m., as to the reasons for not forming a bloc. It is pointed out that as the purpose of the bloc is to establish a benevolent neutrality in the Balkans and not to conclude a mutual assistance pact there is no question of Bulgaria coming to the defense of Rumania or of any other nation. The Foreign Office expresses the opinion that Bulgaria would not enter into any bloc unless she were promised territorial compensation.

The relations between Hungary and Rumania give the Yugoslav Government genuine concern, especially as the Hungarian Government is apparently anxious that its differences with Bucharest should be taken up with the Rumanian Government by Belgrade, thus entering a wedge in Yugoslav-Rumanian relations. It is not denied here that Eckhardt's visit as reported in Budapest's 307, November 10 was a trial balloon to ascertain whether Belgrade would support Hungarian revisionist claims against Rumania. His having visited Macek is interpreted as being for the purpose of widening the breach between

764.71

between Serbs and Croats. This same technique appears also to be employed by the Germans through the frankist element in Croatia. The Germans are likewise blamed for recent communistic demonstrations there and for the distinctly Bolshevik attitude of the Croatian peasantry which has forcibly prevented hunting on the part of landowners regardless of payment of hunting licenses.

The foregoing unfavorable situation, in addition to the lack of gasoline and a sharp rise in food prices, has created general nervousness and discontent which render the local political situation more than ever uncertain. It is reported that general elections will be held early in 1940.

Repeated to Paris.

LANE

RR

Sloan to MID

RDC
JF

EU

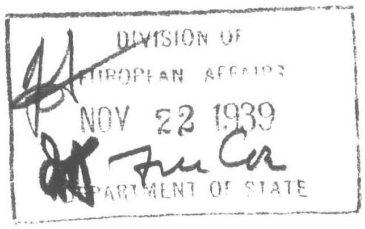
# TELEGRAM RECEIVED

RFP
This telegram must be closely paraphrased before being communicated to anyone. (C)

FROM Bucharest

Dated November 21, 1939

Rec'd 11:10 p.m.




Secretary of State

Washington

396, November 21, 4 p.m.

STRICTLY CONFIDENTIAL

With reference to the last sentence of paragraph four of my telegram No. 380, November 8, noon, the Hungarian Military Attache here has stated to our Military Attache that the Hungarian Government offered the end of August last to come in on the side of Germany, presumably on condition of return of Transylvania, but that Germany refused on the grounds that it wanted no disturbance of the status quo in the Balkans.

I am reliably informed that the German Air Attache, previously referred to in my telegrams, is openly advising his Rumanian contacts to present a strong front to Russia and is upset that the bulk of Rumanian forces have withdrawn west of the Pruth River.

GUNTHER

CFW

770.00/671

Chron to M I D

RDC

CJ

# TELEGRAM RECEIVED

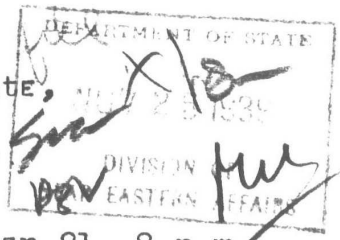
This telegram must be closely paraphrased before being communicated to anyone. (C)

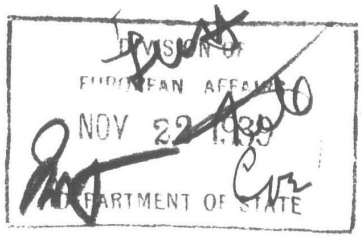
MOSCOW

Dated November 21, 1939

FROM

Rec'd 4 p.m.




Secretary of State,

Washington.

923, November 21, 8 p.m.

A member of the French Embassy has informed the Embassy in strict confidence that several days ago the Turkish Ambassador called on Molotov for the purpose of ascertaining the attitude of the Soviet Government toward the formation of a "neutral bloc of Balkan States". This bloc would include Hungary and Italy as well as Rumania, Bulgaria, Turkey, Greece, Yugoslavia. My informant stated that he had good reason to believe that although ostensibly sponsored by Turkey the proposal in reality originated with Italy acting through the Rumanian Government.

770.00/673

770.00

My informant stated that Molotov as is his usual practice made no comment and that up to the present time no reply has been made to the Turkish Ambassador. He ventured the opinion that the endeavor to form such a bloc would probably fail because of pressure placed on Rumania by Berlin-Moscow.

It is possible that the rumored concentration of Soviet forces mentioned in my 921, November 21, 3 p.m. may have some relationship to the general subject.

THURSTON

NPL

Shown to MLD

~~BDC~~ ~~SR~~ ~~JF~~ ~~EU~~ ~~AE~~

# TELEGRAM RECEIVED

CJ
This telegram must be closely paraphrased before being communicated to anyone. (br)

FROM

BUCHAREST

Dated November 22, 1939

Rec'd 3:55 p.m.

DEPARTMENT OF STATE
NOV 2 1 1939
DIVISION OF NEAR EASTERN AFFAIRS

DIVISION OF EUROPEAN AFFAIRS
NOV 24 1939
File Cor
DEPARTMENT OF STATE

770.00/673

Secretary of State,

Washington.

398, November 22, 1 p.m.

CONFIDENTIAL. My 393, November 18, 4 p.m.

770.00

From remarks made by members of the German Legation our Military Attache has got the impression that they think that Italy will act in the matter of the Balkan Danubian bloc on behalf of Germany.

From this and other information my surmise is that the Germans here think that the upshot of conversations will be reenforced neutrality of the Balkans, which will assure continuity of supplies to Germany, a firm front against Russia and an isolated neutrality for Turkey tending to offset some of the potentialities to Germany and Italy of the Franco-British-Turkish pact. German officials here at least, I would say, still share the delusion that as soon as Germany has scored some signal victory Italy will come in on their side. As I remarked before (see paragraph one of my 380, November 8, noon) it would appear that the future course of Italy must also be largely influenced by the attitude and concessions of Paris and London.

DEC 1 - 1939

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DIVISION OF
EUROPEAN AFFAIRS
NOV 24 1939
DEPARTMENT OF STATE

EU
AE

# TELEGRAM RECEIVED

HSM
This telegram must be closely paraphrased before being communicated to anyone. (Br.)

FROM Rome

Dated November 24, 1939

Rec'd 9:18 a. m.

Rhome & M10

Secretary of State,

Washington.

DEPARTMENT OF STATE
DIVISION OF
NEAR EASTERN AFFAIRS

770.00

521, November 24, 1 p. m.

In reply to my inquiry this morning with regard to the situation in the Balkans, Ciano told me with definiteness that Italy would not take any part in the formation of a Balkan bloc. He said that all the Balkan states including Italy held the same views with regard to Communism and he did not seem to feel that any so called "bloc" was necessary or desirable at this time. With regard to the recent resignation of the Rumanian Government he expressed the opinion that this was the result of an internal situation and had no particular bearing on Rumania's external relations. Reference the Embassy's despatch No. 1626 of November 9, 1939.

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DEC 5 1939

PHILLIPS

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770.00/674

CML

# TELEGRAM RECEIVED

DIVISION OF EUROPEAN AFFAIRS
NOV 28 1939
DEPARTMENT OF STATE

VM
This message must be closely paraphrased before being communicated to anyone. (BR).

FROM ANKARA

Dated November 24, 1939

Rec'd 7:40 pm.

DEPARTMENT OF STATE
DIVISION OF
NEAR EASTERN AFFAIRS

Secretary of State

Washington.

148, November 24, 6 p.m.

CONFIDENTIAL.

One. In the Turkish view as explained to me this morning by the Minister for Foreign Affairs the current Rumanian efforts to constitute a southeastern neutral bloc are wholly distinct from the previous endeavors of Turkey and of Yugoslavia to bring about the inclusion of Bulgaria in the Balkan Entente the Minister believes that the Rumanian Government has undertaken them on its own initiative rather than at the instance of Italy as has been rumored.

Two. The plan contemplates including Bulgaria and Hungary with the entente for the duration of the present war in an agreement providing for mutual nonaggression and obligating them in the event of outside aggression against any of them to consult with a view to formulating common action or at least a common attitude of benevolent neutrality. It also contemplates the possible eventual inclusion of Italy in the bloc.

Three.

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VM 147, November 24, 6 p.m., from Ankara.

Three. In laying its proposals officially before the other three members of the Entente the Rumanian Government stated that it had previously assured itself that such an arrangement would be acceptable alike to the allies and to Germany: And it is understood that the plan has been informally made known to Bulgaria, Hungary and Italy. Russia has not been consulted.

Four. The Minister gives me to understand that the Turkish, Greek and Yugoslav governments while sympathetic with the purpose of establishing such a neutral group are nevertheless wholly skeptical of its practicability in view of the attitude to be expected on the part of Bulgaria and of Hungary and reluctant to incur the risks of associating themselves with a project predestined to failure; and I gather that by arrangement with the other two governments the Turks will shortly take the lead in replying to the Rumanian Government in that general sense.

Five. He says he has not received and does not expect to receive in the near future any overtures from the Soviet Government with regard to the abortive negotiations he carried on in Moscow. Except perhaps as to Bessarabia (concerning which her intentions are still enigmatical), he believes that Russia has no present territorial designs

in

in southeastern Europe and would not in fact have the power to realize them. He anticipates no disturbance of the peace of the Balkans at least during the coming winter although recognizing that German pressure for the purpose of obtaining further supplies may well create a new situation.

Repeated to Bucharest.

MACMURRAY

DDM

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PM.
PHA
WSTA

**DEPARTMENT OF STATE**

**DIVISION OF EUROPEAN AFFAIRS**

November 29, 1939.

Summary of despatch No. 1626 from American Embassy at Rome dated November 9, 1939.

Subject: Italian Policy in the Balkans and Possibility of Creating a Balkan Bloc.

There are two schools of thought in Rome regarding the Italian policy in the Balkans and the possibility of a creation of a Balkan Bloc. The first of these holds that Italy has sounded out opinion in Belgrade, Bucharest, Sofia, Athens and even Budapest concerning this possibility; that it has found that opinion favorable and is only waiting for Italo-Turkish relations to improve before bringing forward a concrete proposal. The other school of thought professes to believe that Italy has done little or nothing along the above line. The Greek Minister was of the opinion that the menace of Soviet Russia would have to become sufficiently aggravated to make the Balkan States fear direct interference in their internal affairs before the diplomatic terrain should become favorable for Italy to take an initiative at the risk of incurring possible German displeasure.

The Turkish Ambassador did not expect any direct association of Italy with the Balkan Bloc, nor was he confident that any

such

such Bloc would be formed by the Balkan States themselves. While, on the other hand, the Soviet Chargé d'Affaires expressed the opinion that Italy was diplomatically active in the Balkan area with a view to stimulating the formation of a Bloc aimed against Russian influence.

The Ambassador considers that Italy has not gone as far as the Soviet Chargé d'Affaires would indicate, but that it was more interested in consolidating its position as a counter-weight to Russian influence in the Balkans than his Turkish and Greek colleagues appear to believe.

It is further pointed out that the scarcity of definite information in Rome and the Government reserve on the subject leads to the belief that whatever action Italy is taking has been through its diplomatic representatives in the various capitals rather than directly in Rome.

Eu:Reber:AMR.

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

SPECIAL ASSISTANT TO THE SECRETARY OF STATE
DEC 22 1939
MR. PASVOLSKY

AMERICAN EMBASSY

No. 1626

Rome, November 9, 1939.

Subject: Italian Policy in the Balkans and the possibility of the Creation of a Balkan Bloc.

CONFIDENTIAL

DIVISION OF EUROPEAN AFFAIRS
NOV 27 1939
DEPARTMENT OF STATE

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DEPARTMENT OF STATE
1939 NOV 24 PM 3 29

DIVISION OF COMMUNICATIONS AND RECORDS

DEC 13 1939

DIVISION OF INTERNATIONAL CONFERENCES
DEC 21 1939
DEPARTMENT OF STATE

DEPARTMENT OF STATE
DEC 26 1939
DIVISION OF NEAR EASTERN AFFAIRS

ADVISER ON POLITICAL RELATIONS
MR. DUNN
DEC 2 - 1939
DEPARTMENT OF STATE

The Honorable

The Secretary of State,

Washington.

Sir:

With reference to my telegram No. 495 of November 7th, 7 p.m., reporting a conversation I had with Count Ciano concerning Italian policy in the Balkans, I have the honor to submit as follows certain aspects of that policy as revealed by the impressions of colleagues and the attitude of the Italian press.

While diplomatic and foreign press circles in Rome generally appear to suspect that the Italian Government is engaged in diplomatic activity in the Balkans with a view to strengthening its position in that part of the world and bringing a counter-weight to bear against Russian influence and possible aggressions, opinions differ as to how far matters have gone. One school of thought holds



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holds that Italy has sounded out opinion in Belgrade, Bucharest, Sofia, Athens and even Budapest concerning the possibility of forming a neutral Balkan bloc with Italian support, that it has found that opinion favorable and is only waiting for Italo-Turkish relations to improve before bringing forward a concrete proposal. Another school of thought professes to believe that Italy has done little or nothing along the above line, although toying with the idea of doing so.

My Greek colleague is of the impression that the formation of any Balkan bloc is still remote because of the importance of the outstanding problems between the Balkan States themselves, and believes that Italy on her part does not wish to become involved in any movement which might be construed as anti-German. The recent exchange of notes between the Greek and Italian Governments (reference the Embassy's despatch No. 1627 of November 10, 1939), which was interpreted by a section of the foreign press as a preliminary move on the part of Italy to form a Balkan bloc, he does not consider significant in that connection. He admits, however, that when he inquired from Count Ciano whether the latter attached such a significance to the exchange of notes, that Count Ciano was vague in his reply and neither affirmed nor denied. My Greek colleague is further of the opinion that the menace of Soviet Russia will have to become sufficiently aggravated to make the Balkan States fear direct interference in their internal affairs before the diplomatic terrain will become favorable for Italy to take an initiative at the risk of incurring

possible

possible German displeasure. Lastly, he considers that Italian-Turkish relations are at best only correct, asserting as proof that the Turkish Ambassador has not seen Count Ciano for some two months.

My Turkish colleague does not look for any direct association of Italy with a Balkan bloc nor in fact does he appear particularly confident that such a bloc will be formed by the Balkan States themselves. He feels, however, that already there is a new orientation of Italian policy in the Balkans based upon the realization of the desirability of peace in Eastern Europe, whereas formerly Italy in conjunction with Germany had ambitions to divide the Balkans into economic spheres of influence. The recent withdrawal of Italian troops from the Albanian-Greek frontier, he considers, served notice that Italy is not cherishing military ambitions in Eastern Europe at the present time. As far as Turkish-Italian relations are concerned, he is of the opinion that they are satisfactory and that no particular improvement is needed or may be expected.

The Papal Nuncio to Yugoslavia at present visiting Rome and who called on me at the instance of Minister Lane, states that the Yugoslav Government has decided to recognize the Soviet Government, although there is no indication as to when this will take place. He feels, moreover, that Yugoslavia as a whole looks to Russia as the mother of the Slavs and that, with the re-entry of Russia into European affairs, it is no longer possible to abstain from the recognition of the Russian Government.

Yugoslavia, according to the Nuncio, is most anxious to know Italy's attitude with regard to a Soviet menace in the Balkans. He considers that should a Balkan bloc be formed Italy might become associated with it as its "patron" in sympathy with its endeavor to preserve the independence of the Balkan States. He is inclined to believe that Germany might well be glad to have Italy exercise its influence in this direction in order that the German Government may not be obliged to take an open position against Russia at this time.

The Soviet Chargé d'Affaires considers that Italy is diplomatically active in the Balkan area with a view to stimulating the formation of a bloc aimed against Russian influence and cites as proof of this the exchange of notes with the Greek Government, new commercial agreements with Yugoslavia and Bulgaria, and reports that Italy intends to demilitarize the Dodecanese Islands and send an observer to the next meeting of the Balkan Entente. All this, according to M. Helfand, has taken place since the first of October by which time Russia had succeeded in establishing a common frontier with Hungary and Slovakia. To his mind, the foregoing is more than pure coincidence. He feels that the present outburst in the Italian press against the Soviet Government arising out of the recent Komintern manifesto, is the commencement of an ideological offensive to influence Balkan opinion against Moscow. He states that Italy has always been afraid of a Pan-Slavic movement in the Balkans and is more so now than ever since the partition of Poland.

He

He claims to have expressed the foregoing opinions recently to Count Ciano, with whom he is undoubtedly on most friendly terms. At that time, he states, the Foreign Minister admitted that it was only natural that Italy should wish to see a peaceful and prosperous Balkan group, particularly since the annexation of Albania. In this connection it will be recalled from my telegram No. 495 of November 7th, 7 p.m. that when I inquired from Count Ciano whether the exchange of notes between the Greek and Italian Governments denoted some new Italian move in the Balkans, he replied somewhat evasively and gave the impression of not wishing to discuss the question at that time. He did, however, volunteer the opinion that Soviet Russia was fully engaged at the present moment in the Baltic and was not pressing upon Rumania or the Balkan States.

Personally, I am inclined to believe that while Italy has not gone so far as the Soviet Chargé d'Affairs considers, its Government is, nevertheless, more interested in consolidating its position as a counter-weight to Russian influence in the Balkans than my Turkish and Greek colleagues appear to believe. Should this be the case, probably the best form of propaganda that the Italian Government could employ in States largely Slavic in population would be to attack Russia on ideological rather than racial grounds, which is precisely what the Italian press of today is doing (reference the Embassy's telegrams Nos. 496 and 497 of November 7th and 8th, respectively). Editorial comment for the past two days has been definitely representing Italy as standing across Russia's path and challenging that country in the Balkans.

It is intimated that as Italy "faced and defeated Bolshevism in Spain," so she will face and defeat Bolshevik influence in any Italian sphere of influence. To refer to a specific example, the MESSAGGERO of November 8th stated clearly that the "failure of Soviet Russia to achieve her ends in Europe is due to the resistance of ideal and historic forces centering around Italy whose balanced policy inspired by lofty ideals of humanity and peace have determined an atmosphere of tranquility and collaboration in Balkan Europe."

The Press of today announces that a Hungarian Delegation is on its way to Rome for conversations relative to "developments in the relations between the two countries." Lastly, as the Department will remember from my despatch No. 1605 of October 26th, the Italian Ministry of Popular Culture after repeated deletions allowed a foreign press correspondent on October 22 to include the following remarks in a broadcast to the United States:

> "If war cannot be stopped it must be localized. This is the cardinal tenet of present Italian foreign policy. Efforts along this line aim at the formation of a huge non-belligerent bloc in southeast Europe. In this Mussolini has found enthusiastic allies. Prince Paul, Regent of Yugoslavia, many of whose family in the Russian Imperial House suffered under the Bolshevik Revolution, is standing by. King Carol of Rumania realizes that not only Bessarabia and the oil fields, but his throne as well are bound to be buried under a Soviet advance. And the Bulgarian King knows that he also will get short shrift from a paramount Russia. Hungary comes into the combination driven by the post-war experiences of Regent Horthy and the land-owner magnates who were just able to save the country from communist domination. Working on these sentiments, the Italian diplomats in Budapest, Belgrade, Bucharest and Sofia have been able to start these countries toward a unity essential to the survival of the Balkans. Through Italian persuasion, Hungary and Rumania have already agreed to decrease the number of troops standing on their mutual frontiers. Bulgaria and Rumania are expected to do the same. Hungary and Yugoslavia are negotiating a pact to smooth out all existing difficulties."

What

What concrete form Italian diplomacy in the Balkans may take remains to be seen, but I consider it safe to assume that the possibility of Russian influence becoming predominant in that area is preoccupying this Government. The scarcity of definite information in Rome, moreover, and Government reserve on the subject leads one to believe that whatever action Italy is taking is through its diplomatic representatives in the various Balkan capitals. Finally, it may be of interest to note that whenever Italian officials and press now refer to Italian Balkan policy, they invariably stress that it is of a purely Italian nature and has nothing to do with the interests of other powers.

Respectfully yours,

William Phillips

WP-ASR-wrm

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from G MID

RDC E

# TELEGRAM RECEIVED

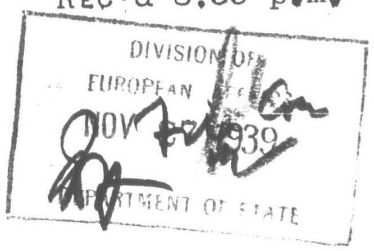
AC
This telegram must be closely paraphrased before being communicated to anyone. (Br)

FROM

Bucharest

Dated November 25, 1939

Rec'd 8:35 p.m.




Secretary of State

Washington

401, November 25, 3 p.m.

CONFIDENTIAL. My telegram 398, November 22, 1 p.m. and previous.

I am informed by a high official of the Rumanian Foreign Office that from an attitude of lukewarm approval both Germany and France have veered now to one of firm opposition to the Balkan-Danubian bloc idea. This development will probably result in its death knell as Rumania can hardly pursue the idea in the face of this opposition. It would seem probable that French opposition crystallized as Italian interest therein seemed to grow and become imminent all of which seems to me very shortsighted of the French.

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Sharon & MID

RDC

DIVISION OF EUROPEAN AFFAIRS NOV 28 1939 DEPARTMENT OF STATE

# TELEGRAM RECEIVED

HSM
This telegram must be closely paraphrased before being communicated to anyone. (Br.)

FROM Sofia

Dated November 27, 1939

Rec'd 11:08 a. m., 28th

DEPARTMENT OF STATE DEC 1 1939 DIVISION OF NEAR EASTERN AFFAIRS

Secretary of State,

Washington.

81, November 27, 6 p. m.

770.00

In a conversation with the Prime Minister, I inquired about the neutral bloc, He said that this country had never been approached on the subject and that the idea was being abandoned owing to the lack of agreement among the members of the Balkan Entente. Greece had become nervous because she felt that Turkey could no longer be considered a neutral and Greece did not wish to take part in any project having an unneutral flavor. He said the Yugoslavs were also doubtful of the idea. He agreed with my suggestion that Rumania was anxious for any support and that Turkey seemed to favor a neutral bloc. Asked what was the significance of the goings and comings between Ankara and Bucharest, he stated it reflected Rumania's desire for Turkish support. He was evasive when asked whether Italy might be behind the project and whether Great Britain was interested. He did say, however, that Italy in a sense was assuming the position

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GML

position which the Austro-Hungarian Empire held before the World War as the rival of Russia for political influence in the Balkans. Asked if this meant that Germany no longer played an important role in the Balkans he replied that Germany was only interested in trade, doubly necessary in time of war and "had no political aspirations" in this part of the world but that Russia's interests were purely political. Asked whether Italy was sufficiently strong to act as a counterweight to Russia he said she was a "great power" and her position was greatly fortified by the fact that she was not wasting her substance in war. He felt convinced that country would remain neutral. Incidentally this is the first time the Prime Minister has spoken to me of Italy in this vein and I gained the impression that he was welcoming Italy into the picture as a further counterweight to Russia (see despatch No. 358, November 4).

He was vague regarding my inquiry as to Russia's relations with Turkey. He said in reply to a question that he could not say why Russia was hesitating about Bessarabia but thought it might be fear that Turkey would open the Straits. He did not think however that Great Britain could effectively assist Rumania. When I interposed that protocol number two to the Ankara pact should prevent Turkey from permitting the passage of ships he said

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and therefore that country had no confidence in said Russia distrusted the Turks / the protocol. [redacted] Answering another inquiry he reiterated his conviction that Russia was determined not to fight as everything was playing perfectly into the hands of that Government.

He referred to the apparently Francophile sentiment of the new Rumanian Cabinet as being "disquieting since it might encourage resistance to Russia's absorption of Bessarabia". He said it was Germany after all who was backing Rumania; but when asked whether Germany would dare directly to oppose Russia's designs on Bessarabia he replied no. He declared that the only safe solution was to let Russia take the province; resistance may lead to war in the Balkans.

I then turned to the question of the southern Dobrudja. He repeated the familiar statement that conquest by force was ephemeral and that he hoped to settle this country's claims at a conference after the war. He had given the Rumanians definite assurances that if Bessarabia were invaded Bulgaria would not attack Rumania. I asked the Prime Minister pointedly if Bulgaria would accept the province if the Russian Government were in a position to offer it and he replied "Not unless all of the great powers acquiesced". I suggested that wise as his policy

/

is,

is, might not the Bulgarian people force the Government's hand if Russia made such an offer. He was reticent on this point.

Turning to the war in the west he stated that he feared it may develop into a war of desperation and Germany might "throw herself into the Soviet Union's arms and then anything can happen". He thought that peace should be made before either side was beaten as President Wilson had proposed during the great war and thus avoid a dictated peace.

Asked about Bulgaria he declared she was in a better position than any of the Balkan countries, having "no great power on her frontier". I remarked that he would presumably not wish the Russians on Bulgaria's frontier and he replied with much emphasis "Under no circumstances".

MILLARD

RR

# CROSS-REFERENCE FILE

## NOTE

**SUBJECT** Rumors of a Balkan bloc to be formed under Italian leadership.

Reports press comments, concerning -.

aa

770.00/679

For the original paper from which reference is taken

See # 1618
(Despatch, telegram, instruction, letter, etc.)

Dated Nov. 3, 1939 From / To Italy (Reed)

File No. 865.00/1866.

U. S. GOVERNMENT PRINTING OFFICE 1—1540

770.00

# CROSS-REFERENCE FILE

## NOTE

**SUBJECT** Rochat discounts rumors of a Balkan bloc which would hold out an invitation to Bulgaria to join in consideration of the cession to it by Rumania of the Dobrudja.

mr

770.00/ 680

**For the original paper from which reference is taken**

See ~~Tel. #2794, 7 p.m.~~
(Despatch, telegram, instruction, letter, etc.)

Dated ~~Nov. 20, 1939~~ From/To } ~~France (Bullitt)~~

File No. ~~740.0011 European War, 1939/1063~~

U. S. GOVERNMENT PRINTING OFFICE 1—1540

# TELEGRAM RECEIVED

FROM

Belgrade

EG
This message must be closely paraphrased before being communicated to anyone. (Br)

Dated December 1, 1939

Rec'd 7:30 p.m.

Secretary of State,

Washington.

DIVISION OF EUROPEAN AFFAIRS
DEC 4 1939
DEPARTMENT OF STATE

356, December 1, 4 p.m.

CONFIDENTIAL.

The Assistant Minister for Foreign Affairs expresses the opinion that although no immediate danger from the Soviets is expected in the Balkans, the Russian attack on Finland will doubtless weaken resistance of the Balkans against the Soviets and suggests the possibility of a demand for Bessarabia in the not distant future. He indicated that Rumania would acquiesce in such a demand.

As to the so-called Balkan neutral bloc he said that there are still hopes of consummating it, adding that such a formation would be the only means to safeguard peace in the Balkans. It will not be possible to accomplish it, however, unless differences among the Balkan States themselves are first settled, that is between Rumania and Hungary and between Rumania and Bulgaria. Another difficulty is that both Germany and

France

770.00/681

France oppose the inclusion of Turkey, Germany, because of Turkey's pact with France and Great Britain; France, because Turkey's adherence to a neutral bloc might weaken the efficacy of the tripartite pact. Both France and Germany, however, favor the bloc in principle.

The bloc would not envisage mutual assistance but merely neutrality and nonagression among the members. He emphasized that the mutual assistance provisions of the Balkan Entente referred only to the internal frontiers of the respective states (that is, with respect to Bulgaria) and not to external frontiers (with respect to Germany, Italy or Russia).

There is indirect evidence that France is indifferent to Italy's inclusion in the Balkan bloc. This indifference should not in my opinion be construed as encouragement to Italy to assume the primacy of the Balkans, as such encouragement would be greatly resented by the Balkan countries which do not desire Italian or any other foreign penetration. The Foreign Office confirms this opinion.

LANE

PEG

JR

# TELEGRAM RECEIVED

This telegram must be closely paraphrased before being communicated to anyone. (br)

FROM Belgrade

Dated December 4, 1939

Rec'd 6:37 p.m.

Secretary of State,

Washington.

359, December 4, 7 p.m.

The Minister for Foreign Affairs said to me this morning that the Soviet attack on Finland is bad enough in itself but its worst phase is that it will complicate an already too complex international situation. He said that there is great apprehension in the Balkans that as soon as Russia has finished with Finland it will take aggressive action with respect to Bessarabia but that he does not believe such action to be imminent, at least not for another month or two.

He said that Yugoslavia has not given up its hope to preserve neutrality and peace in the Balkans through the formation of a bloc but there are many difficulties principally Rumanian-Hungarian relations. This morning he had commented to the Hungarian Minister regarding the "energetic" tone of Csaky's speech and expressed the hope as he had previously to the Rumanian Ambassador that the press in the two countries should cease speaking of the justice or injustice of the Treaty of Trianon. The

Hungarian

DIVISION OF EUROPEAN AFFAIRS DEC 5 1939 DEPARTMENT OF STATE

770.00 WW 760d.61

770.CC/682

Hungarian Minister assured him that Hungary's only present concern is the question of minorities and that in the event of a Russian move against Bessarabia, Hungary would not take advantage of such a move.

As to the possibility of a Turkish-Italian rapprochement he said that unfortunately the Turks have reason to distrust the Italians and are therefore not enthusiastic regarding Italian friendship.

765.67

I commented on the economic war which is being fought by the belligerents in Rumania and Yugoslavia for the control of petroleum and minerals respectively. The Minister said (probably with tongue in cheek) that he welcomed the recent arrival here of French and British missions to increase Yugoslavia's exports to the allied countries as up to now Germany has virtually monopolized Yugoslav trade. Yugoslavia, he said, wishes to remain neutral and to treat both sides alike.

CONFIDENTIAL. The British Charge d'Affaires informs me that his government is contemplating the imposition of restrictions on/the importation raw materials to Yugoslavia, especially cotton, in the event that the Yugoslav Government does not comply with the terms of contract valid for 15 years to grant foreign exchange for the exportation of produce of Trepca mines.

860H.5151

LANE

WWC

LEGATION OF THE
UNITED STATES OF AMERICA

No. 766 Belgrade, November 8, 1939.

Subject: Possibility of Formation of a Balkan Bloc.

SECRETARY OF STATE
DEC 7 - 1939
NOTED

770.00/683

CONFIDENTIAL
FOR THE SECRETARY AND UNDER SECRETARY OF STATE.

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DEPARTMENT OF STATE
1939 DEC 6 PM 12 32
DIVISION OF
COMMUNICATIONS
AND RECORDS

770.02

UNDER SECRETARY OF STATE
DEC 7 - 1939
MR. WELLES

The Honorable

The Secretary of State,

Washington.

Sir:

Referring to my telegram No. 333, of November 6, 5 p.m., and to previous telegrams on the above subject, I have the honor now to give the Department in greater detail the remarks which have been made to the Legation on the subject by various Yugoslav officials and others.

While there is a certain discrepancy in the views expressed, I am of the opinion that conversations have actually taken place between the Yugoslav and Italian Governments regarding the formation of a bloc of the Balkan States, including Hungary, but that there is little possibility of the formation of such a bloc being consummated, at least under Italian primacy.

There

FILED
DEC 12 1939

There is, however, in my opinion, a distinct desire on the part of Yugoslavia, and I assume also on the part of the other Balkan States, Italy and Hungary to maintain an attitude of neutrality.

In my telegram No. 304, of October 6, 3 p.m., I referred to a conversation which I had had with the Assistant Minister for Foreign Affairs, Dr. Milivoje Smiljanić, in which he admitted that the Italian Government had informally discussed with the Yugoslav Government the question of the formation of a bloc of the Balkan States and Italy. Dr. Smiljanić emphasized that no diplomatic negotiations had taken place but that any exchange of views were merely unofficial conversations. Dr. Smiljanić has, in the past, mentioned to me that the main purpose of the Balkan Entente has been to keep the greater powers out of the Balkans. This opinion was confirmed to me last spring by the former Turkish Minister here, Mr. Haydar Aktay, now Ambassador in Moscow. Mr. Haydar Aktay, who negotiated the formation of the Balkan Entente with King Alexander, stated that the definite purpose of the Entente was to keep Italy out of the Balkans. It was for this reason that the Turkish Government so deeply resented Yugoslavia's diplomatic inactivity at the time of the occupation of Albania by Italy.

In a further conversation with the Assistant Minister for Foreign Affairs on October 30, he apparently failed to remember his previous conversation with me regarding the conversations between Yugoslavia and Italy and said that while there had been considerable talk in the past about the formation of such a bloc, he had no official information on the matter. It is interesting, in this connection, to recall the remarks made to me by the Minister for Foreign Affairs on November 3 (see my telegram No. 330, of that day), to the effect that on the initiative of Rumania a Balkan bloc is contemplated, including all

the

the Balkan States, together with Hungary and possibly Italy, and that the matter is being considered by the Yugoslav Government. On November 7, Mr. Byington had a conversation with Dr. Gavrilović, one of the best informed and most intelligent members of the Foreign Office, on another matter. When Mr. Byington broached the subject of the Balkan bloc at first Dr. Gavrilović parried the question, but eventually admitted that negotiations are in progress. The most reliable information in connection with all of the foregoing is the statement made to me by a member of the Italian Legation in whom I have confidence (see my telegram No. 319, of October 21, 11 a.m.), intimating that the formation of a Balkan bloc with Hungary, under the primacy of Italy, is a distinct possibility.

With regard to the statement made by my Italian informant that despite official announcements to the contrary, relations between Italy and Yugoslavia remain unsatisfactory, due to the Yugoslav distrust of the Italians, I have the honor to refer to a statement which Prince Regent Paul made to me on October 13 (see my telegram No. 315, of October 14, 1 p.m.), that if Italy had decided only to limit her Balkan activities to friendship with Yugoslavia, she would be in a much better position than at the present time. I received the distinct impression from Prince Paul's remarks that he was irritated over Italy's imperialistic designs in the Balkans. This impression has since been borne out by information received from reliable sources to the effect that Prince Paul will not receive Italians who are known to be strong Fascists. In fact a member of the Italian Legation, who is not generally identified with the Fascist Party, was recently invited to the White Palace for luncheon. Before the invitation was tendered, however, Prince Paul inquired of the British Minister whether Sir Ronald Campbell was absolutely certain that the officer was not

Fascist

Fascist in sympathies. The Italian Minister, Signor Mario Indelli, who is on the contrary known as a strong Fascist and an advocate of the Axis, has not been invited to the Palace for a long period and has not concealed his displeasure.

Whether the Prince's attitude towards Fascist Italy may undergo a change because of recent governmental changes in Italy, I shall have no means of knowing until I next have the opportunity of conversing with him.

As reported in my telegram No. 333, of November 6, 5 p.m., the Greek Minister, Mr. Bibica Rosetti, and the Hungarian Minister, Baron Bakách Bessenyey, have disclaimed to me any knowledge of Italy's having suggested the formation of a Balkan bloc. In fact they stated that, as far as they knew, no Balkan bloc has been suggested by anybody. It is possible, however, that the negotiations which the Minister for Foreign Affairs admits have commenced between Rumania and Yugoslavia and which other officials admit have commenced between Italy and Yugoslavia, have not yet progressed to the point of including other members of the Balkan States.

The Hungarian Minister, in commenting to me on his uncertainty whether Italy has really changed its attitude towards Germany, mentioned that the Italian press is still friendly towards its co-member of the Axis. He informed me in the strictest confidence that on his recent visit to Budapest he had talked with "a very high authority" (who I inferred, perhaps wrongly, was Admiral Horthy). Baron Bessenyey had, during this interview, referred to the pro-German attitude of the Italian press, whereupon "the very high authority" had said not to take the attitude of the press as a guide and referred to the friendly attitude towards Germany assumed by the Hungarian press, adding "you know how friendly Hungary really is towards Germany".

To

To sum up, I should evaluate the situation here as follows: Yugoslavia wishes to remain neutral and wishes all members of the Balkans, together with Hungary and Italy, to remain neutral. If a neutral bloc should be formed, it must not be under the primacy of Italy or any other great power. Distrust exists in regard to Italy because of the Albanian incident, towards Germany because of Germany's recent imperialistic ventures and towards Russia because of the hostility of the Court towards the Soviet regime. Of the three great powers the distrust towards Russia is the least strong, especially in Serbia where Mother Russia and the aid she gave to Serbia in 1914 are still cherished. Differentiating between distrust and fear, however, it is believed that the greatest danger comes from Germany but that no action is likely to be taken until March or April. This phase of the question will be dealt with in a subsequent despatch.

Respectfully yours,

Arthur Bliss Lane.

File No. 710
ABL/iv

Copies to American Embassies Paris
and Rome, and American
Legation, Budapest.

2 [illegible] 3 P

# CROSS-REFERENCE FILE

## NOTE

**SUBJECT** Growing German action to the southeast;

Indications from the Turkish Financial and Economic Mission headed by Nurman Menemencioglou now arrived in Paris, from French sources in Rumania and Italian sources in Yugoslavia of-

770.00/684

**For the original paper from which reference is taken**

**See** Tel. #2831, 8 p.m.
(Despatch, telegram, instruction, letter, etc.)

**Dated** Nov. 25, 1939 **From** France (Bullitt)
**To**

**File No.** 740.0011 European War, 1939/1085

U. S. GOVERNMENT PRINTING OFFICE 1—1540

GMW

Shaw + MID

RDC SR

# TELEGRAM RECEIVED

EG

This message must be closely paraphrased before being communicated to anyone. (Br)

FROM Rome

Dated December 9, 1939

Rec'd 8:40 a.m.

Secretary of State,

Washington.

DIVISION OF EUROPEAN AFFAIRS
DEC 11 1939
DEPARTMENT OF STATE

770.00/685

545, December 9, 10 a.m.

In referring to the Balkan situation yesterday Ciano drew my attention to the importance of that part of the Fascist Grand Council declaration of the 7th instant stating that "anything which may take place in the Danubian Balkan basin cannot but directly concern Italy, et cetera". He inferred that this was the Italian Government's notice to the world of their intentions should Soviet Russia undertake to penetrate the Balkan area.

770.00 NW 761.65

While there is the utmost sympathy for Finland in all Italian circles there is a hesitancy on the part of the Government to send forward substantial supplies of war material since these would have to pass through Germany and the attitude of the German Government to shipments of this character remains obscure. As I have already reported a few dismantled Italian planes on their way to Finland have successfully passed through Germany without eliciting comment from the German Government.

760d.61

860d.248

Ciano

GML

Ciano evidenced an interest in what we in the United States were doing to assist the Finns.

To the Finnish Minister he has expressed his deep sympathy adding that distance and geographical complications have alone prevented more generous Italian support.

PHILLIPS

GW

LEGATION OF THE
UNITED STATES OF AMERICA

DIVISION OF EUROPEAN AFFAIRS DEC 13 1939 DEPARTMENT OF STATE

EO
PAD
AMC
ME

No. 769

Belgrade, November 9, 1939.

Subject: German Influence in Yugoslavia.

DIVISION OF EUROPEAN AFFAIRS DEC 13 1939 DEPARTMENT OF STATE

ADVISER ON POLITICAL RELATIONS MR. DUNN DEC 14 1939 DEPARTMENT OF STATE

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770.00/686

DEPARTMENT OF STATE ASSISTANT SECRETARY OF STATE A DEC 20 1939

DEPARTMENT OF STATE DEC 2 1939 DIVISION OF NEAR EASTERN AFFAIRS

The Honorable

The Secretary of State,

Washington.

770.00/652

Sir:

With reference to the third paragraph of my telegram No. 333, of November 6, 5 p.m., I have the honor to report the following conversation, on October 31, 1939, with Dr. Ivan Andres, Minister of Commerce and Industry, concerning German influence in Yugoslavia, in the light of recent developments.

Dr. Andres said that the Russian penetration of the Baltic States and in half of Poland was a tremendous defeat for the Germans. He had known Rosenberg in Germany for over twenty years. Rosenberg always told him that the day that Germany would get close to Russia would spell the end of Germany. Now Dr. Andres had just been completing conversations with the German Economic Mission and had gathered from them that they deplored the rapprochement with Russia. One effect of this rapprochement and of the

FILED DEC 26 1939

the German abandonment of German interests in the Baltic States had been the revulsion of feeling on the part of the Germans in Yugoslavia towards their own Government. Recently a "gauleiter" had been secretly appointed for the District from which Dr. Andres comes, that is, Ruma and Vinkovci. The "gautleiter" had been endeavoring to persuade Germans to return to Germany where they would be given land, and incidentally paid in Marks, while the German Government would take possession of their land in Yugoslavia, thus giving the German Government foreign exchange and depriving the Germans living in Yugoslavia of their land holdings, in return for paper Marks. He went on to say that since the developments in Poland and the Baltic States, the Germans here decidedly would, under no conditions, return to Germany. In fact those in Croatia had elected to become members of the Croatian Peasant Party. I interjected that Dr. Šubašić had told me the same thing at Zagreb.

Respectfully yours,

Arthur Bliss Lane

Arthur Bliss Lane.

File No. 710
ABL/HMBjr/iv

# CROSS-REFERENCE FILE

## NOTE

**SUBJECT** Balkan bloc. Statement of the Hungarian Minister that latest information indicated that Italy was not seriously interested in establishing a ,-.

**For the original paper from which reference is taken**

See Tel. 2958- 4pm
(Despatch, telegram, instruction, letter, etc.)

Dated Dec. 12,1939 From / To France (Bullitt)

File No. 762.64/228

U. S. GOVERNMENT PRINTING OFFICE 1—1540

770.00/687

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# CROSS-REFERENCE FILE

## NOTE

**SUBJECT** Proposed Balkan neutrality bloc; Turkish Government regards the- as almost if not quite a dead issue.

mr

**For the original paper from which reference is taken**

**See** Tel. #155, 1 p.m.
(Despatch, telegram, instruction, letter, etc.)

**Dated** Dec. 10, 1939 **From / To** Turkey (MacMurray)

**File No.** 740.0011 European War, 1939/1139

U. S. GOVERNMENT PRINTING OFFICE 1—1540

770.00/688

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Shown & MID,

RDC

# TELEGRAM RECEIVED

FROM

JR
This telegram must be closely paraphrased before being communicated to anyone. (br)

Bucharest

Dated December 13, 1939

Rec'd 6:58 a.m., 14th.

Secretary of State,

Washington.

DIVISION OF EUROPEAN AFFAIRS
DEC 14 1939
DEPARTMENT OF STATE

432, December 13, 8 p.m.

CONFIDENTIAL.

My 401, November 25, 3 p.m.

The Minister for Foreign Affairs informs me that in addition to German there is now Russian opposition to the Balkan-Danubian bloc, previously the Russians had not expressed themselves. He is awaiting with interest clarification of recent Italian declarations. I am still personally skeptical of eventual fruition of this general plan.

GUNTHER

WWC:HTM

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770.00/689

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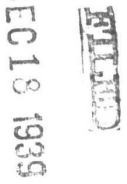
DEC 18 1939



# TELEGRAM RECEIVED

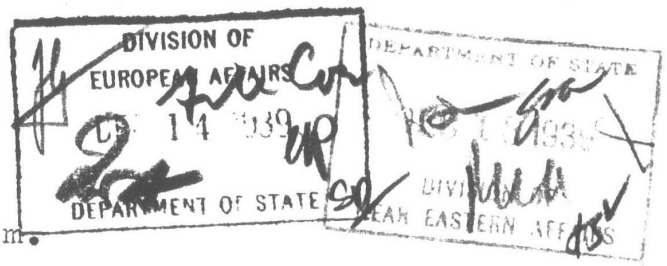
JR

This telegram must be closely paraphrased before being communicated to anyone. (br)

FROM Belgrade

Dated December 13, 1939

Rec'd 1:08 a.m., 14th.




Secretary of State,

Washington.

365, December 13, 6 p.m.

The Legation's telegram 356, December 1, 4 p.m., and 359, December 4, 7 p.m.

The Yugoslav press has carried no editorial comment whatever on the declaration of the Grand Fascist Council on Italian Balkan policy but special emphasis in headlines has been given to comment which has appeared in MESSAGGERO and TELEGRFO, particularly those statements regarding: (one) Italian opposition to the entrance of Bolshevism into the Balkans, (two) the impossibility of the resumption of Pan-Slavic or German movements in the Balkans, and, (three) Italian sympathy for the formation of a neutral bloc in the Balkan area.

The Secretary of the Italian Legation informs me that the Grand Council's declaration means specifically that Italy will resist the spread of Communism in the Balkans and that if Russia attempts to enter this area it is not impossible that Italy and Hungary would line up with all the Balkan countries including Turkey in fighting the

Soviet

770.00/690

GP

Soviet Union. Such a war might conceivably be entirely separate from the present conflict.

The Assistant Minister for Foreign Affairs informed me last night that exchanges of views were still in progress regarding a Balkan neutrality bloc but that he was not at all optimistic that any agreement would be reached in the near future. He stated that Bulgaria had definitely put as its price for entering the Balkan Entente the Dobrudja and territorial compensations from Greece but had signified its willingness to enter a Balkan neutrality arrangement if only the Dobrudja were returned, leaving its other claims for territory for settlement by negotiation in future years. Dr. Smiljanic was critical of the Hungarians for persisting in talking of the Trianon Treaty at this critical time for all small nations and particularly dangerous for Hungary with its medieval polity so exposed to Communist influence. He welcomed the Italian declaration as pleasing to Yugoslavia but added that although both Italy and the Balkan countries desired to remain neutral, this did not mean in the least that Yugoslavia would welcome Italian hegemony in this area.

The Hungarian Minister, who stated that he had recently talked with Csaky, told me today that in his

opinion

opinion: one, the idea of a Balkan neutrality bloc including Hungary had always been essentially a newspaper dream and virtually impossible of realization; two, a mutual assistance pact is out of the question due to the conflict of interests within the Balkans and a vague "neutrality bloc" would dissolve at the first pressure exerted by a great power, and, three, the present situation when each country in this area is standing on its own national interests at least represents reality. Bessenyey stated that Hungary would not attack Rumania should that country become involved with Russia over Bessarabia but that should the Russians overrun Rumania the Hungarian army would without hesitation move into Transylvania and take up natural defensive positions in the Carpathians.

JOYCE

DDM:HPD

# CROSS-REFERENCE FILE

## NOTE

**SUBJECT** Independence of the Balkan States. Statement of Bulgarian Minister that the Bulgarian Government was coming to regard the Soviet Union as the chief menace to the,-.

770.00/ 691

For the original paper from which reference is taken

See tel. 1046- 1pm Confidential File
(Despatch, telegram, instruction, letter, etc.)

Dated Dec. 8,1939 From / To U.S.S.R. (Steimhardt)

File No. 761.74/40

U. S. GOVERNMENT PRINTING OFFICE 1—1540

Confidential File FE 9/1

# CROSS-REFERENCE FILE

## NOTE

**SUBJECT** There has been a rumor current to the effect that Count Ciano would shortly visit Ankara in an attempt to enlist Turkish support for a Balkan "bloc", a rumor which has proved unfounded so far.

770.00/692

FP

For the original paper from which reference is taken

See #1646
(Despatch, telegram, instruction, letter, etc.)

Dated Nov. 22, 1939 From / To Italy (Phillips)

File No. 865.00/1871

U. S. GOVERNMENT PRINTING OFFICE 1—1540

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6/12

# CROSS-REFERENCE FILE

## NOTE

## SUBJECT

Prime Minister believes best course is to foster commercial relations with Russia and is not unduly apprehensive over Russian aspirations in Balkans; he would prefer to let Russia take Bessarabia if it would avert a war.

770.00/693

For the original paper from which reference is taken

See Tel.#84 2 p m
(Despatch, telegram, instruction, letter, etc.)

Dated Dec. 11 1939 From/To Bulgaria (Millard)

File No. 761.74/41

U. S. GOVERNMENT PRINTING OFFICE 1—1540

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DEPARTMENT OF STATE

DIVISION OF EUROPEAN AFFAIRS

December 19, 1939.

Summary of despatch No. 1651 from Embassy at Rome dated November 28, 1939.

Subject: Temporary Suspension of Italian Efforts to Create a Balkan Bloc

The Embassy reports that it now appears that the Italian Government has, temporarily at least, abandoned serious efforts to promote the formation of a Balkan Bloc. Three possible reasons are advanced in explanation of Ciano's statement to the Ambassador that such a Bloc was neither necessary or desirable at this time: (1) The lack of harmony between Hungary and Rumania, as evidenced by the Hungarian Minister for Foreign Affairs' speech of November 21; (2) an inability to effect a really cordial rapprochement between Italy and Turkey, and (3) the possibility ~~of~~ that German disapproval of the formation of such a Bloc, together with French coolness occasioned by doubts as to Italy's final position, ~~which~~ may have influenced Italy's decision to abstain from diplomatic efforts toward this end for the present.

Finally, the opinion is hazarded that the Russian menace is still far from being

sufficiently

sufficiently acute to bring about that feeling of apprehension necessary for the Balkan countries to submerge their differences.

770.00/694

Eu:SR:AMR.

EMBASSY OF THE
UNITED STATES OF AMERICA

DIVISION OF
DEC 14 1939
THE AMERICAN REPUBLICS
DEPARTMENT OF STATE

No. 1651 Rome, November 28, 1939.

Subject: Temporary Suspension of Italian Efforts to create a Balkan Bloc.

DIVISION OF
EUROPEAN AFFAIRS
DEC 18 1939
DEPARTMENT OF STATE

C O N F I D E N T I A L

DEPARTMENT OF STATE
DIVISION OF
NEAR EASTERN AFFAIRS

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AND RECORDS

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MID in confidence
JAN 8 - 1940

770.00

The Honorable

The Secretary of State,

Washington.

Sir:

DEPARTMENT OF STATE
A-M/C
JAN 6 -
ASSISTANT SECRETARY
OF STATE

I have the honor to refer to my despatch No. 1626 November 9th, 1939, and other despatches concerning Italian policy in the Balkans, as well as to my telegram No. 521, 1 p.m. of November 24th.

JAN 27 1940
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As the Department is aware, the past month has witnessed diplomatic activity in various Balkan capitals tending toward the formation of a "Balkan bloc" and certain powers have been credited with the role of sponsoring such a scheme, notably Italy. It now appears that, temporarily at least, the Italian Government has abandoned serious attempts to promote the formation of a "Balkan bloc", although probably still in favor of it. In this connection

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connection, reference is made to my telegram No. 521 above mentioned, wherein it was stated that Count Ciano had told me that Italy would not take part in the formation of a "Balkan bloc" and that he did not consider that such a "bloc" was necessary or desirable at this time. These remarks of Count Ciano may not have been unaffected by the speech of the Hungarian Minister for Foreign Affairs, Count Csaky, on November 21st, when in a detailed statement on foreign affairs before the Hungarian Parliament he expressed regret that some governments seemed unwilling to recognize the "new realities of Europe even though such recognition was for their own good." Count Csaky coupled the above statement with a direct allusion to certain recent speeches by Rumanian statesmen and the Embassy has learned from a usually reliable source that his speech was known in advance to Signor Mussolini. The inference, therefore, appears clear that Italy for the moment has abandoned the idea of promoting a "Balkan bloc" since one of the prerequisites for the success of such a maneuver is harmony between Hungary and Rumania. In fact the Embassy feels that the present Italian attitude as expressed by Count Ciano in the telegram above referred to consists largely of making a virtue out of a necessity.

It is possible that the Italian Government's resolve in this matter was actuated by an inability to effect a really cordial rapprochement with Turkey and Turkish collaboration is essential for the realization of any plan to bring about greater Balkan cohesion. The Department will remember from the Legation at Belgrade's telegram

No.

No. 339 of November 11th, 5 p.m., that the French Ambassador to Turkey was reliably reported to have greeted the idea of a "Balkan bloc" with coldness and that he was proceeding to Paris to oppose the project. It was similarly reported by the Legation at Athens in a telegram, No. 245 of November 13th, 4 p.m., that France had shown herself cool in Ankara to the idea of a "Balkan bloc", thus causing the Turks and consequently the Greeks to hesitate. Well informed opinion in Rome is inclined to support the foregoing views and it is said that although Great Britain was in favor of an Italo-Turkish rapprochement, France considered that the moment was not yet opportune. Among the reasons advanced for this difference of opinion is that France is still not convinced that Italy will not eventually enter the present war on the side of Germany. The French in short are credited with the opinion that no one knows on which side of the fence Italy will end and, pending more definite assurance on that point, prefer to maintain a complete Turkish counterpoise in the Eastern Mediterranean.

It is, of course, also possible that German disapproval of the formation of a "Balkan bloc" may have influenced Italy's decision to abstain for the present from diplomatic efforts along that line. It will be recalled from the Embassy's despatch No. 1626 of November 9th, 1939, that the Papal Nuncio to Yugoslavia was inclined to believe that Germany might well be glad to have Italy exercise its influence in the direction of a "Balkan bloc", in order that Germany might not be obliged to take an open decision against Russia at this time. On

the

the other hand, the Legation at Athens in its telegram No. 247 of November 14th, 4 p.m., reported from an official source that Germany suspected hostility behind Italian diplomacy in the Balkans. Perhaps a combination of French and German coolness toward the formation of a "Balkan bloc" has deterred Italy from going forward with the project.

Finally, the opinion is hazarded that the Russian menace is still far from being sufficiently acute to bring about that feeling of apprehension necessary for the Balkan countries to submerge their differences. There appears to be a feeling in Italy and apparently in the Balkans that Russia is still so occupied in the Baltic as to preclude her exercising for the moment pressure on southeastern Europe.

Respectfully yours,

William Phillips

ASR-wrm

710

Carbon Copy
Received

EMBASSY OF THE
UNITED STATES OF AMERICA

RDC
PM
EO
PAD
AMC

No. 1656 Rome, November 30, 1939.

Subject: Italian Press Reactions to Speech by Hungarian Foreign Minister delivered at Budapest on November 21st, 1939.

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AND RECORDS

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EUROPEAN AFFAIRS
PM
DEC 15 1939
DEPARTMENT OF STATE

Distribution Instructions

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770.00/695

The Honorable

The Secretary of State,

Washington.

ADVISER ON POLITICAL RELATIONS
MR. DUNN
DEC 18 1939
DEPARTMENT OF STATE

Sir:

I have the honor to refer to my despatch No. 1651 of November 28th, 1939, concerning a temporary suspension of Italian efforts to create a "Balkan bloc" and particularly to that part in which Count Csaky's speech of November 21st before the Hungarian Parliament detailing Hungary's attitude toward international affairs was mentioned. The speech above mentioned, it will be recalled, expressed regrets that some governments seemed unwilling to recognize "the new realities of Europe" and made direct allusions to recent remarks of Rumanian statesmen. It is, moreover, believed in responsible quarters in Rome that Signor Mussolini had knowledge of the terms of the speech before it was delivered.

DEPARTMENT OF STATE
A-M/C
DEC 20 1939
ASSISTANT SECRETARY
OF STATE

F P

DEC 21 1939

The

The consensus of informed opinion in Rome is to the effect that Italy, temporarily disillusioned as to the possibility of forming a Balkan bloc under its aegis, decided by tacitly endorsing the Hungarian Foreign Minister's remarks to serve notice that it was washing its hands of active participation in Balkan diplomacy. That opinion, moreover, has been strengthened by the attitude of the Italian press in the days succeeding the speech under reference. It was noticeable that sympathy for Hungarian revisionist claims was brought to the fore and that Balkan solidarity was ignored. The TRIBUNA of November 22nd found the speech remarkable for its "energetic and unambiguous tone" and strongly endorsed the thesis that Hungary could not "relinquish her just claims." Hungary, wrote the TRIBUNA, demanded that equality which had so long been "unjustly denied her under the policy directed by Dr. Benes." The TRIBUNA continued by stating that Count Csaky's speech was largely addressed to Rumania and emphasized the view that Hungary had always been "extremely moderate in her policy" and had never sought to promote her interests by violence.

On November 26th the Leghorn TELEGRAFO, which is the Ciano family newspaper, brought out an editorial written by a Signor Ciasca, which not only upheld Hungarian revisionist claims but affirmed Italy's interest in Hungary as the "center of gravity of the Danubian Basin." A strong and independent Hungary, according to the TELEGRAFO, was not only the surest guarantee of a balance in the Balkans which would ward off "any surprises to those countries from the direction of Russia and Central Europe", but would also

make

make for Italian security. The Treaty of Trianon was assailed both for the material mutilation of Hungary and the moral condemnation of the Hungarian people. Rumania was attacked as the only surviving "pluri-national state of all the states created at Versailles" inasmuch as it had minorities of all races and groups. The Magyars were a "vital industrious people who would certainly not allow themselves to be absorbed" and who, on the contrary, were keeping themselves in "readiness for the moment when international circumstances will impose a revision of the Treaties." Finally, the writer noted that Hungary counted on the collaboration of Germany and Italy in settling her major international problems and stressed Italo-Hungarian friendship which was based on common ideals of political independence. Other press comment followed more or less along the above lines.

Respectfully yours,

William Phillips

ASR-wrm

710

PM-NE 5,6

EU
PAID
AMTC
AE

LEGATION OF THE
UNITED STATES OF AMERICA

Athens, November 18, 1939.

No. 3566.

Subject: Rumanian Proposals for a Neutral Bloc in Southeastern Europe.

DIVISION OF EUROPEAN AFFAIRS
DEC 15 1939
DEPARTMENT OF STATE

DEPARTMENT OF STATE
FEB 5 1940
DIVISION OF NEAR EASTERN AFFAIRS

RECEIVED
DEPARTMENT OF STATE
1939 DEC 14 PM 1 39
DIVISION OF COMMUNICATIONS AND RECORDS

Distribution
Grade for

ADVISER OF COMMUNICATIONS RELATIONS
MR. DUNN
DEC 21 1939
DEPARTMENT OF STATE

DEPARTMENT OF STATE
A-M/C
JAN-4 1940
ASSISTANT SECRETARY OF STATE

770.00/696

FEB 16 1940

FILMED

GRR

The Honorable

The Secretary of State,

Washington.

Sir:

Confirming my telegram No. 247 of November 14th, 4 p.m., and previous telegrams on the same subject, I have the honor to report that, on instructions from Bucharest, the Rumanian Ambassador here, Mr. Djuvara, has recently laid before the Greek Government proposals for the formation of a neutral bloc in southeastern Europe, including Italy and Hungary, and requested the Greek Government's advices as to its willingness to join. The Ambassador

has

has also done his best to persuade the Prime Minister and the Permanent Under Minister for Foreign Affairs of the excellence and the practicability of his proposals, which he says involve neutrality only and not mutual assistance, but so far Mr. Metaxas has reserved his reply, saying that he must consult with Turkey, while both he and Mr. Mavroudis have told me personally that they doubt very much whether the proposals will find general acceptance.

In explaining his doubts, the Under Minister said to me last Tuesday, the 14th, that, regardless of the attitude of the Balkan States, the reactions of the Great Powers would inevitably be decisive in such a matter, and that they were not encouraging. He went further and said that he thought the Rumanian proposals had not been sufficiently studied from the point of view of the Great Powers "before being offered around hastily on a platter". He confirmed what Mr. Djuvara had previously told me, namely, that France had expressed her "complete accord" at Bucharest, but that her ambassador at Ankara had advised Turkey to go cautiously. He said that the Germans, though at first favorable to the idea, as tending to keep southeastern Europe open to them as a source of needed supplies, had more recently become suspicious, possibly when they learned that England is in accord. Italy, he said, though certainly inclined towards anything which might offer her a leading position in the Balkans, was to such an extent doubtful

of

of the success of the Rumanian proposals, that in fear of being exposed to a diplomatic check, she had even begun offering objections of her own. Finally, Russia has not replied at all, and the same appears to be true of Hungary, though, of course, in this case it is not a question of a great power. Under these conditions, Mr. Mavroudis said, the emission of the proposals from Bucharest smacked somewhat of "panic" in that capital.

The Under Minister differed from the Rumanian Ambassador as to the reasons for France's contradictory replies in Bucharest and Ankara. The latter imagines there may be a difference of opinion in the Quai d'Orsay, one group there still harboring the idea that Russia can be won over to the Allied cause, possibly by way of Turkey as a bridge, and therefore hesitating to encourage the formation of a bloc which might be unwelcome to Moscow. Mr. Mavroudis agrees that Russia may be adverse to the idea of such a bloc, though as yet she has not said so, and in this connection thinks that Russia has every intention of taking up the Bessarabian question as soon as Finland is disposed of, and that she is now resuming overtures to Turkey with the idea of making sure of the latter's reactions in such an eventuality. But he attributes the reaction of France's ambassador in Ankara rather to fear of an enhancement of Italian prestige in this region. When I brought this notion to the attention of Mr. Djuvara, he admitted that there might be something in it, but his own explanation appears the shrewder of the two, since, on the basis of the freshness of the problems involved, it

is

is more likely that French policy is divided regarding Russia than regarding Italy at this time. If the French reply had been the same in Bucharest as in Ankara, Mr. Mavroudis' explanation would have more to recommend it.

The Greek Government has shown itself extremely reserved in regard to these negotiations. Nothing at all about them has appeared in the local press, and few even of my colleagues appear to be informed. Doubtless the usual Greek caution in foreign affairs, which has been marked ever since the first of the crises leading up to the outbreak of war, is in part responsible. But from Mr. Djuvara's confidences to me, I judge that his government itself has been anxious that at least the exploratory phases be kept as dark as possible. Meanwhile he continues his active promotion of the scheme. He came to see me yesterday, the 17th, and reiterated what the Under Minister again denied when I saw him immediately afterwards, namely, that Germany is in favor of the proposals. He further said that France gave assurances in Belgrade similar to those received in Bucharest, and that Italy is entirely in accord, and that the only hurdle now remaining to be surmounted is whatever is behind the French Ambassador's reaction in Ankara. On the other hand, he admitted that neither Russia nor Hungary have as yet replied, and he seemed nervous and excited, as if he personally were none too hopeful. Furthermore his references to the need for prompt action in a situation which he described as changing "like reflections in the water", gave some color to Mr. Mavroudis' allegations of "panic". The latter, on the other hand,

repeated

repeated his previous remarks to me almost word for word, with the addition that his government had now heard from the Turkish Government, and that the views of the two are substantially the same. Finally, in talking with me on this subject this morning, the Prime Minister confirmed that the reactions of the Great Powers, with the exception of England, have been unfavorable, and that he felt the project may be doomed.

Whether or not these particular proposals fail, they must, I think, be considered a sign of the times in this region, where some sort of unity as a defence against possible German, and more especially, Russian aggression is becoming more and more urgently and widely desired. Panic following what the Turkish Ambassador has called Hitler's "unloosing of the Russian serpent" has not been confined to Rumania. If this scheme does not go through, others are almost certain to follow, improving upon it as it in turn appears to have improved on the tentative feelers in the same direction put out hitherto by various states. Mr. Mavroudis feels that greater progress might be made by grafting the neutrality idea onto the still living stock of the Balkan Entente. It might be difficult to secure Bulgarian adherence under such circumstances, but the plan would at least offer a basis, already recognized by all the Great Powers, on which to develop a truly Balkan policy, even one capable of being extended by invitation to neighboring non-Balkan countries. Recent attempts to solve the Bulgarian problem seem to have met with no

greater

greater success than former ones. My Yugoslav colleague tells me that he has talked with Mr. Metaxas twice within the past few weeks in an attempt to get him to hold out to Bulgaria some promise of eventual satisfaction of her claims in Thrace, only to be turned down decisively. He says, too, that he believes the Turks are even more intransigent than the Greeks in this matter. Nevertheless one may sense today in Athens a growing tendency to minimize difficulties and to emphasize the hope that at least a beginning of Balkan unity can be achieved under stress of present fears. There are rumors current, which I am unable to confirm or deny as yet, that a special meeting of the Balkan Entente will soon be held to consider precisely the possibilities in this connection. Today, of course, there are no outstanding diplomatists available, like Barthou and Titulesco, to take the idea in hand and see it through, as in the days when the Entente itself was formed. This is regrettable, and may even be decisive. But there is a greater necessity of self-preservation now than then, for the states immediately concerned, and perhaps with this as father, and in spite of repeated miscarriages, the mountain may yet bring forth its mouse.

Respectfully yours,

Lincoln MacVeagh

Lincoln MacVeagh.

File No. 711.1

LMacV/hec

# CROSS-REFERENCE FILE

## NOTE

**SUBJECT** Statement by Ribbentrop to effect that Germany had accepted from Russia conditions similar to those offered by Russia to the British which included "a free hand in the Baltic and practically a free hand in the Balkans".

770.00/637

**For the original paper from which reference is taken**

See Tel. #556, noon
(Despatch, telegram, instruction, letter, etc.)

Dated Dec. 14, 1939 From / To Italy (Phillips)

File No. 740.0011 European War, 1939/1160

U. S. GOVERNMENT PRINTING OFFICE 1—1540

Shown to MLD

RDO
PM

DIVISION OF
EUROPEAN AFFAIRS
DEC 21 1939
DEPARTMENT OF STATE

File Cor

# TELEGRAM RECEIVED

FROM

HSM
This telegram must be closely paraphrased before being communicated to anyone. (B & Br.)

Bucharest

Dated December 21, 1939

Rec'd 1:55 a. m.

770.00/698

Secretary of State,

Washington.

440, December 21, 8 p. m.

CONFIDENTIAL.

DEPARTMENT OF STATE
DEPARTMENT OF STATE
DIVISION OF
NEAR EASTERN AFFAIRS

The Turkish Ambassador here just back from Ankara tells me that his Government, in view of the Russo-German menace, is heartily in favor of a final attempt to form the Balkan Danubian bloc, but without any special effort to induce Bulgaria and Hungary to join. Once formed, should trouble develop and Bulgaria shows signs of belligerency she could, he said, be methodically disarmed by the four states acting together. He feels that Italy's role in the natter will be an important and welcome one and qualifies Yugoslavia as the only recalcitrant state.

The Ambassador is satisfied that should Russia and/or Germany attack Rumania both Great Britain and France will send naval vessels into the Black Sea. I take it that his Government has had such assurances but it is not

clear

GML

clear that Russia has so been unequivocally notified.

Since my telegram informing you that both Germany and Russia had expressed open opposition to the formation of the bloc I have ascertained that it was Rumania which asked for their views. This would seem to have been unwise. One does not consult the gangsters before forming a citizens union. Now that their opposition has been formally expressed a possible eventual formation of a bloc might be considered provocative.

In the Turkish opinion French opposition was because of Italy. He feels that it is lessening somewhat. This is interesting as it was the French Ambassador at Ankara who was the principal French opponent.

GUNTHER

CSB

JR

# TELEGRAM RECEIVED

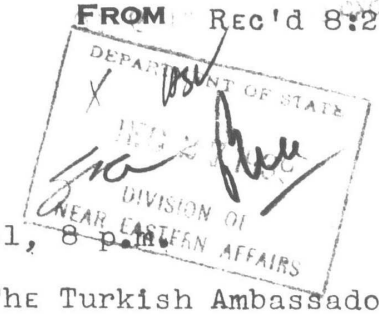
This telegram must be closely paraphrased before being communicated to anyone. (D)

Moscow

Dated December 21, 1939

FROM

Rec'd 8:27 p.m.



Secretary of State,

Washington.

1124, December 21, 8 p.m.

CONFIDENTIAL. The Turkish Ambassador this afternoon informed me that the proposal to form a neutral bloc of Balkan and other states referred to in the Embassy's telegram No. 923 of November 21, 8 p.m., contemplates: (1) More definite neutrality by all members of the bloc; (2) a joint treaty of non-aggression; (3) in the event any party to the bloc is attacked the others shall either come to its assistance or remain neutral and if not rendering assistance demobolize on the frontiers of the state being attacked; (4) personal consultation between the respective foreign ministers (5) exchange of economic information; and (6) joint economic measures.

The Turkish Ambassador said that the formation of this bloc had been proposed to the Turkish Government by the Rumanian Government although he understood that the initiative emanated from Rome. He said that the approach to Hungary and Bulgaria was to be made by Yugoslavia and that when all of the parties were in agreement an invitation to join was to be extended to Italy.

(END SECTION ONE)

RR

STEINHARDT

770.00/699

FILED

DEC 28 1939

Confidential File

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NE

# TELEGRAM RECEIVED

EDA
This telegram must be closely paraphrased before being communicated to anyone (D)

FROM MOSCOW

Dated December 21, 1939

Received 5:45 p.m.

Secretary of State

Washington

1124, December 21, 8 p.m. (SECTION TWO)

The Turkish Ambassador also stated that about a month ago he had presented a note to Molotov apprising the Soviet Government of the Rumanian proposal but that no reply has been received from Molotov with respect to the attitude of the Soviet Government. Notwithstanding the failure to receive a reply it is his intention to deliver to Molotov in a day or two a copy of the response of the Turkish Government to the Rumanian invitation.

The Turkish reply to the invitation of the Rumanian Government which the Ambassador read to me states that the Turkish Government regards the proposal to prevent the spread of war in southeastern Europe and the Mediterranean area with sympathy as this is the keystone of Turkish foreign policy and the primary objective to any agreements with England and France. In consequence the Turkish Government is prepared to join the proposed bloc and to support the Rumanian Government's efforts.

(END SECTION TWO)

STEINHARDT

RR

EU
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# TELEGRAM RECEIVED

JR

This telegram must be closely paraphrased before being communicated to anyone. (D)

FROM Moscow

Dated December 21, 1939

Rec'd 6 p.m.

Secretary of State,

Washington.

1124, December 21, 8 p.m. (SECTION THREE)

The Turkish Ambassador stated that the Soviet Government on that point still desires that Bulgaria seize the Dobrudja if and when the Soviet Union seizes Bessarabia. It was his opinion that only the threat of Turkish military support of Rumania had caused the Soviet and Bulgarian Governments to abstain from action from Rumania during the last few months.

With further reference to Bulgaria the Ambassador observed that some time ago when the Soviet Government anticipated either a satisfactory outcome of the negotiations then in progress with Finland or a speedy liquidation of the Finnish venture through military action, it had invited the Bulgarian Government to send a commission to Moscow and that it is his understanding the commission will soon arrive. In view of the lack of success thus far of the military venture in Finland the Ambassador believes that the impending negotiations will be unproductive. In this connection he remarked that he understands the

Bulgarian

Bulgarian Government will ask the Soviet Government for gold and that the Soviet Government will resume its efforts to obtain from Bulgaria a naval or air base which he believes will be refused by the Bulgarian Government.

(END OF MESSAGE)

761.74

STEINHARDT

RR

# CROSS-REFERENCE FILE

## NOTE

**SUBJECT** The Prime Minister said Italian Minister had made no approach on subject of neutral bloc. It could be of no help to Bulgaria.

770.00/700

For the original paper from which reference is taken

See #358
(Despatch, telegram, instruction, letter, etc.)

Dated Nov. 4 1939 From | Bulgaria - Millard
To |

File No. 741.6711/40

Confidential File

U. S. GOVERNMENT PRINTING OFFICE 1—1540

bb

# CROSS-REFERENCE FILE

## NOTE

**SUBJECT** Balkan bloc. Statement of Ciano in an address before the Chamber, that Italy as a "Balkan power" wished to see order and peace in that area but did not consider the formation of the Balkan bloc necessary and asserted that Italian relations were satisfactory and cordial.

770.00/701

**For the original paper from which reference is taken**

**See** Tel. 561- 8pm
(Despatch, telegram, instruction, letter, etc.)

**Dated** Dec. 16,1939 **From** / **To** Italy (Phillips)

**File No.** 765.00/164

U. S. GOVERNMENT PRINTING OFFICE 1—1540

NC

GRAY

ROME

Dated December 16, 1939

Rec'd 9 p.m.

Secretary of State

Washington

561, December 16, 8 p.m.

Ciano addressed the Chamber this morning at 9 o'clock in a speech lasting one hour and fifty minutes in which he reviewed Italian foreign policy from the disarmament conference to the present time. The Treaty of Versailles was blamed for the major portion of world ills today and Italian action in Ethiopia, Spain and Albania defended. The pact with Germany was explained as logically arising out of the anti Comintern Pact and hastened by the "encirclement" policy of France and Great Britain. Its purposes, however, had been purely peaceful. The steps leading up to the present conflict were rehearsed with Germany exonerated and France, Britain and Poland's leaders blamed for not accepting Hitler's "moderate" demands. A tribute was paid to Polish "heroism" and Mussolini's last minute peace efforts were eulogized. Italy's position as a "non belligerent" was reconfirmed and described as a position which was thoroughly understood by Germany and in accord with that country's desire to "localize" the conflict. Ciano branded as false reports that Italy had stayed out of war on account of unpreparedness, divisions of

public

public opinion or fear. Italy was perfectly prepared and looking after its own interests. With regard to the Balkans he stated that Italy as a "Balkan power" wished to see order and peace in that area but did not consider the formation of a Balkan bloc necessary and asserted that Italian relations with Rumania, Yugoslavia, Greece, Bulgaria, Turkey and Hungary were satisfactory and cordial. The Hungarian Minister who was present received an enthusiastic ovation when his country's name was mentioned. In speaking of Italian relations with neutral states the Scandinavian countries and the United States were ignored. He referred in cordial terms to the Latin American countries, Switzerland and Japan. Russia was passed over except when the Russian-German agreement of August was defended on the grounds that "encirclement" had forced the German action. Bolshevism, however, was denounced in general terms in connection with the Spanish civil war and the origins of the anti-Comintern pact. It is understood that the American press is carrying detailed despatches covering the speech and that Stefani has wired the full text.

770.00

PHILLIPS

HTM

DEPARTMENT OF STATE

RECEIVED DEC 14 1939 DIVISION OF COMMUNICATIONS AND RECORDS
MR. DUNN DEC 14 1939 DEPARTMENT OF STATE

# Memorandum of Conversation

DATE: December 13, 1939

SUBJECT: Situation in Europe and conditions in Yugoslavia

PARTICIPANTS: Mr. Constantin Fotitch, Minister of Yugoslavia
Mr. Pierrepont Moffat, Chief, Division of European Affairs

COPIES TO:

770.00/702

O-P-O 1—1493

770.00

The Yugoslav Minister called this afternoon. He said that he was again very worried over the attitude of Italy. He thought the recent Gayda article indicating a desire for an outlet through the Mediterranean and for colonial compensation might possibly indicate that Italy was negotiating with Germany and Russia for a tripartite division of the Balkans. He felt that the British and French had about made up their minds that there was no chance of breaking through on the Western Front, and hence would not be adverse to creating a new military front, which he could only see in the Balkans. If such a front were created, he felt the advantage would lie with

DEC 14 1939

with Germany, which had land lines of communication.

As to internal conditions in Yugoslavia, he had telegraphed to Belgrade the account which appeared in the NEW YORK TIMES the other day of rioting and communist influence in Belgrade. The answer had come that there had been one or two minor incidents, but that they had been grossly exaggerated. The Minister seemed to feel that while there were still some difficulties in Croatia, largely due to the fact that Maček had always been more interested in the country than in the cities and now had to try and bring the cities into line, yet fundamentally internal conditions were sound.

PM

Pierrepont Moffat

Eu:PM:CMS

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 1665 ROME, December 6, 1939.

Subject: Editorial by Ansaldo in Ciano family newspaper contrasting Italian Albanian Policy with present Russian Policy in the Baltic.

DIVISION OF EUROPEAN AFFAIRS
DEC 27 1939
DEPARTMENT OF STATE

ADVISER ON POLITICAL RELATIONS
MR. DUNN
JAN 2 1940
DEPARTMENT OF STATE

770.00

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DIVISION OF COMMUNICATIONS AND RECORDS

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770.00/703

DEPARTMENT OF STATE
JAN 5 - 1940
DIVISION OF NEAR EASTERN AFFAIRS

DEPARTMENT OF STATE
ASSISTANT SECRETARY OF STATE
JAN 4 1940
A-M/C

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report that during the past few days the Italian Press has evidenced some apprehension as to future events in the Balkans, the general theory being that Russia may take action in that part of the world after consolidating its position in the Baltic. This press concern, however, has been limited to printing despatches from various Balkan capitals and there has been no editorial comment. Ansaldo, however, who, as the Department is well aware, now occupies a position vis-à-vis Count Ciano somewhat comparable to the relationship existing between Virginio Gayda and Signor Mussolini, took an opportunity in the Ciano owned Leghorn

FILED
JAN 29 1940

TELEGRAFO

TELEGRAFO of December 3 to compare Italian policy in Albania with Russian policy in the Baltic.

Ansaldo took as his point of departure the recent presentation to the King of the new Albanian flag, at which time the Sovereign sent the following telegram to the Albanian Prime Minister, Signor Verlaci:

> "I thank Your Excellency for your courteous message in the certainty that the proud Albanian people will rally around the national flag ever seeing in it the auspicious sign of their greater fortunes."

Italy, pointed out Ansaldo, was the most desirable friend among the Great Powers for the Balkan and Danubian countries. Albania was not regarded as a conquest and would not be violently assimilated. It was regarded as a "smaller nation which has cast its destinies in with Italy and which will be helped." Hitherto the "most disorganized and least civilized" of the small nations of Europe, Albania was being encouraged "to rally around its own flag and promote its good fortunes." Italy, in short, was scrupulously keeping all promises made to the smallest and most backward nation of Europe. Ansaldo then went on to compare Italian policy in Albania with developments in the Baltic States, particularly "most highly civilized Finland, today invaded, tomorrow bolshevized, the day after tomorrow Russified, and certainly without hope for any concessions from the invader." According to Ansaldo, the contrast between Italian policy in Albania and Russian policy vis-à-vis Finland eloquently demonstrated Italian civilization and tradition and was also the best possible propaganda for Italy throughout a "vast European sector wherein recent events have inspired in everyone a well

founded

founded terror." There was no question in Ansaldo's mind that all statesmen in the Balkans today who were concerned with "plots being hatched outside" that area and that all Balkan populations, fearing threats and invasions of the type of which Finland had been the latest victim, recognized at heart that of all possible friendships Italy's was the least burdensome, the most desirable and the most reassuring for a small country. According to Ansaldo, that feeling would sonner or later inevitably produce beneficial results for Italian diplomacy and Mediterranean action in general.

It was particularly noticeable in the editorial under reference that while Ansaldo took the invasion of Finland as an example of another type of imperial policy, he did not completely confine his remarks to Russia. They were, indeed, generic enough to include Germany, and appeared to infer that Italian friendship for Balkan countries was more desirable for those countries than the friendship of Germany as well as Russia. As a result, if Ansaldo's editorial has any significance, and his editorials usually have, it would appear to register Count Ciano's distrust of Russia, sympathy for Finland, and fast cooling attitude towards Germany. It may also indicate that Italian plans for the formation of a Balkan bloc are being merely held in abeyance (reference Embassy's despatch No. 1651 of November 28, 1939).

PM

Respectfully yours,

William Phillips.

ASR-wrm
710

Shown to MID

~~LWH~~ ~~RDC~~ SR ~~EC~~ ~~NE~~

# TELEGRAM RECEIVED

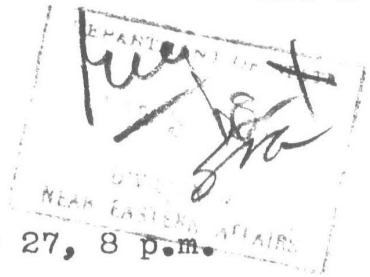
JT

This telegram must be closely paraphrased before being communicated to anyone. (C)

MOSCOW

FROM Dated December 27, 1939

Rec'd 8:12 p.m.



Secretary of State,

Washington.

DEPARTMENT OF STATE
DIVISION OF NEAR EASTERN AFFAIRS

DIVISION OF EUROPEAN AFFAIRS
DEC 28 1939
DEPARTMENT OF STATE

1140, December 27, 8 p.m.

My telegram No. 1124, December 21, 8 p.m.

When the Turkish Ambassador presented to Dekanozov, the Assistant Commissar for Foreign Affairs, for the information of the Soviet Government, a copy of the reply to the Turkish Government to the invitation of the Rumanian Government to join a neutral bloc in the Balkans, the latter, after reading the reply said that he considered its contents as anti-Soviet in character and that such was the opinion of his Government.

770.00

770.00/704

STEINHARDT

EMB

JAN 12 1940

F P

Sharon & MID 19195 RDC SR EU

# TELEGRAM RECEIVED

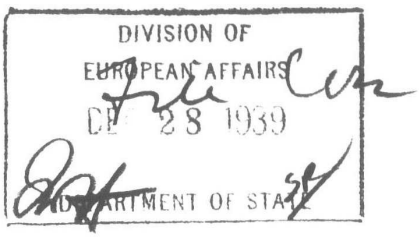
JT

This telegram must be closely paraphrased before being communicated to anyone. (br)

FROM BELGRADE

Dated December 27, 1939

Rec'd 7:05 p.m.




Secretary of State,

Washington.

372, December 27, 8 p.m.

CONFIDENTIAL

Legation's telegram No. 365, December 13, 6 p.m.

The Assistant Minister for Foreign Affairs said to me yesterday that while a bloc in the terms proposed by Rumania might be dead, the idea for a Balkan neutral group to include Bulgaria is still alive. If and when Bulgaria is invited to join a neutral bloc with the present members of the Balkan Entente, Bulgarian territorial revindications would undoubtedly be put forward as a condition. The members of the Entente are still all agreed to form a bloc when the time arrives to approach Bulgaria.

Smiljanic expressed the opinion that if Bulgaria should join the bloc Italy too would become more enthusiastic over the project provided that Hungarian-Rumanian difficulties could be adjusted. He expressed apprehension that unless the various differences in the Balkans were adjusted and Italian cooperation obtained, the involvement of the Balkans in the war

770.00/705

770.00

war would be probable. While admitting that Italy controls Hungarian foreign relations he did not make the usual reference to the fear of Italian hegemony.

LANE

EMB:JRL

# CROSS-REFERENCE FILE

## NOTE

## SUBJECT

Press attention given to the Balkans; anti-British tone of the press; attack directed against Great Britain by Signor Coppola; visit of Dr. Robert Ley, Chief of German Labor Front, to Rome.

M

770.00/706

**For the original paper from which reference is taken**

See Despatch #1674
(Despatch, telegram, instruction, letter, etc.)

Dated Dec. 12, 1939 From / To /791/ Italy, Phillips

File No. 865.00/1873

U. S. GOVERNMENT PRINTING OFFICE 1—1540

770.00 M 716

# CROSS-REFERENCE FILE

## NOTE

SUBJECT

Ciano's speech; Foreign Office Official believed that,- meant that Italy had no intention of asserting its hegemony in the Balkans and was opposed to any bloc which might involve the Balkans in politics.

770.00/707

For the original paper from which reference is taken

See Tel.#367 5 p m
(Despatch, telegram, instruction, letter, etc.)

Dated Dec. 20 1939 From Yugoslavia (Joyce)
To

File No. 765.00/166

bb U. S. GOVERNMENT PRINTING OFFICE 1—1540

770.00

# CROSS-REFERENCE FILE

## NOTE

**SUBJECT** Immediate joint diplomatic and military action in the Balkans;

The French at meeting of the Supreme War Council in Paris pressed strongly for ,- toward building up defense against possible aggression in that area.

mr

770.00/ 708

**For the original paper from which reference is taken**

**See** Tel. #2719, 7 p.m.
(Despatch, telegram, instruction, letter, etc.)

**Dated** Dec. 23, 1939 **From / To** Great Britain (Johnson)

**File No.** 740.0011 European War, 1939/1315

U. S. GOVERNMENT PRINTING OFFICE 1—1540

# CROSS-REFERENCE FILE

## NOTE

**SUBJECT** Recent official declarations affirming Italy's special interests in the Balkans are interpreted as an intended warning to the Soviets rather than to Germany.

mr

770.00/ 709

**For the original paper from which reference is taken**

**See** Tel. #573, 8 p.m.
(Despatch, telegram, instruction, letter, etc.)

**Dated** Dec. 27, 1939 **From / To** Italy (Reed)

**File No.** 740.0011 European War, 1939/1335

U. S. GOVERNMENT PRINTING OFFICE 1—1540

UNDER SECRETARY OF STATE
JAN 11 1940

DEPARTMENT OF STATE

DIVISION OF EUROPEAN AFFAIRS

January 11, 1940.

Summary of Despatch no. 368, from
Legation at Sofia, dated November 28, 1939.

Subject: Conversation Between the Bulgarian Prime Minister and Mr. Millard.

M. Kiosseivanoff said that Germany only wishes to trade with the Balkan countries and "had no political aspirations", but that Russia's interest in the Balkans were purely political. Asked whether Italy was strong enough to act as a counter-weight to Russia he said that Italy was a great power and that she was fortified by the fact that she was not wasting her substance in war. Mr. Millard gained the impression that the Prime Minister was welcoming Italy into the picture.

Turning to the question of the Southern Dobrudja, the Prime Minister said that when peace came there would be a conference at which Bulgaria's claims could be aired. If the Dobrudja could not be regained at a conference it could not be regained by force. He said that Bulgaria had lost four wars in sixty years and was smaller and poorer as a result and that it did not seem reasonable that for a strip of land like the so-called "quadrilateral" of the Dobrudja and for the sake of 200,000

Bulgarians

Bulgarians that his country should risk losing half a million men.

Mr. Millard asked the Prime Minister directly if Rumania was compelled by Russia to return the Dobrudja to Bulgaria would the latter accept it. M. Kiosseivanoff replied that he would not accept the Dobrudja unless "all of the powers" acquiesced.

with Further in the conversation he stated much emphasis that "under no circumstances" would Bulgaria wish Russia on her frontier.

PM

Eu:Coe:EJD

LEGATION OF THE
UNITED STATES OF AMERICA

No. 368 Sofia, November 28, 1939

Subject: Conversation with the Prime Minister regarding the projected Balkan neutral bloc and general situation in the Balkans and Europe.

STRICTLY CONFIDENTIAL

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to my telegram No. 81, of November 27, 6 p.m. summarizing a conversation with the Prime Minister on the Balkan neutral bloc project and other matters relating to the Balkans and the international situation in general, and to enclose a memorandum reporting that conversation in greater detail.

Respectfully yours,

Hugh Millard

Hugh Millard
Chargé d'Affaires a.i.

Enclosure:
Memorandum of conversation

File 710
HM/MM

770.00/710

FILED

FEB 7 - 1940

GRR

ENCLOSURE NO. ACCOMPANYING
DESPATCH NO. 368 OF Nov. 28 1939
AMERICAN LEGATION, SOFIA.

November 27, 1939

MEMORANDUM OF CONVERSATION

between

the Prime Minister and Mr. Millard

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The Prime Minister received me and after I had congratulated him on his fourth anniversary as Prime Minister and he had made some remarks on domestic affairs, which I have included at the end of this memorandum, I inquired whether the project for a Balkan neutral bloc had been dropped. He said that Bulgaria had never been approached on the subject * and that the idea was being abandoned owing to the lack of agreement among the Balkan Entente members. Greece had become nervous because she felt that Turkey could no longer be considered a neutral and Greece did not wish to take part in any project having an unneutral flavor. Asked regarding the Yugoslavs, he said that they, too, were somewhat doubtful about the idea. He agreed when I suggested that Rumania was anxious for support and Turkey seemed to be in favor of a neutral bloc. Asked what was the significance of the goings and comings between Ankara and Bucharest, he said it reflected Rumania's desire for Turkish support.

He was evasive when I asked whether Italy might be behind the neutral bloc project and whether Great Britain was interested in it. He did say, however, that Italy, in a sense, was assuming the position which Austria-Hungary held before the war as the rival

of....

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* It will be recalled that the Belgian Minister informed me (pages 3 and 4 of enclosure to despatch No. 365, of November 23) that the Prime Minister was much exercised over the failure of the Balkan Entente Powers to consult him regarding the neutral bloc and that I had expressed doubt as to the genuineness of this annoyance. I expected nevertheless that Mr. Kiosseivanoff would display some asperity in this conversation with me, but he showed none whatever.

of Russia for political influence in the Balkans. I asked if this meant that Germany no longer played an important rôle in the Balkans and he replied that Germany only wished to trade with the Balkan countries, doubly necessary in time of war, and "had no political aspirations" in this part of the world; but that Russia's interests were purely political. Asked whether Italy was strong enough to act as a counterweight to Russia, he said Italy was a "great power" and that her position was greatly fortified by the fact that she was not wasting her substance in war. He felt convinced that she would remain neutral. (This is the first time the Prime Minister has spoken to me of Italy in this vein and he gave the impression that he was welcoming Italy into the picture as a further counterweight to Russia -- see despatch No. 358, of November 4.)

I inquired regarding Russia's relations with Turkey, but he was vague. In reply to my question as to why Russia was apparently hesitating about taking Bessarabia, he said he did not know the reason, but thought it might be fear that Turkey would open the Straits. He did not think, however, that Great Britain had sufficient forces to spare for an effective assistance to Rumania. When I interposed that protocol No. 2 to the British-French-Turkish pact should prevent Turkey from permitting ships to pass through the Straits , he replied that Russia did not trust Turkey and doubted the value of the protocol. Asked whether he still thought Russia would not go farther south than her old boundaries on the Prout and the Danube, he said that was still his impression. He was convined that Russia was determined not to fight. She had obtained far more by her present methods than any of the belligerents could hope for. The situation had developed perfectly for

Russia...

Russia and she knew it and would do nothing to upset anything which would involve her in this mad war. The belligerents were destroying themselves and the misery which would follow the war would afford ideal conditions for the spread of Communism.

He said the new Rumanian Cabinet was a little disquieting, since it appears to be Francophile and would tend to make Rumania resist Russia. After all, it was Germany who was anxious not to disturb the flow of Rumanian oil and wheat and it was she who was backing Rumania; but when asked whether Germany would dare directly to oppose Russia'a aspirations for Bessarabia, he thought not. He said the only safe solution was to let Russia take that province peacefully; resistance might lead to war which would probably spread throughout the Balkans. He had given Rumania the most definite assurances that if Russia invaded Bessarabia, Bulgaria would not attack Rumania.

I then turned to the Southern Dobrudja question and asked how it could be settled. He said that when peace came, there would be a conference at which Bulgaria's claims could be aired. If the Dobrudja could not be regained at a conference, it could not be regained by force. He repeated the familiar statement that Bulgaria knew from bitter experience that the frontiers of small nations were made not by them on the battlefield, but by the Great Powers at the conference table. He said the British had announced that the war cost them six millions sterling a day. The cost of two days, then, was Bulgaria's entire budget. In 60 years Bulgaria, a small and poor country, had fought four wars and was smaller and poorer as a result. So just on mathematical grounds alone it was not reasonable that for a strip of land and 200,000 Bulgarians Bulgaria should risk losing perhaps 500,000 Bulgarians. It was a mad war

and...

and he hoped that the United States and the other great neutral powers would remain neutral. This would save the world some of the ravages of war and leave some great powers neutral and able to act as arbiters.

I asked the Prime Minister directly if Russia were in a position to compel Rumania to give the Dobrudja back to Bulgaria, would he accept it ? He replied that he would not accept the Dobrudja unless "all of the powers" acquiesced and repeated that there must be a conference at the end of the war, and Bulgaria felt confident of the justice of her claims. Bulgaria was resolved to bide her time. I suggested that wise as his policy was, should Russia offer the Dobrudja and the people learn of it, they might try to force the Government's hand. He neither agreed nor disagreed with this observation. When I referred to the subject of Communism, he said that the Bulgarian people had a deep affection for the country which had liberated them, but that many observers in Bulgaria had erroneously interpreted this natural feeling of gratitude as an interest in Communism.

We then turned to the subject of the war in the west and after referring, without approval or disapproval, to the Germans' use of free mines, he said he was afraid it might develop into a war of desperation in which Germany would "throw herself into Russia's arms and then anything can happen."

He thought peace should be made before either side was beaten as President Wilson had proposed in the World War. A dictated peace, he said, must lead to another war, as had the last peace treaty. Nor should the Allies "fight Nazism." If the system was wrong, it should be left to the German people to right it.

Asked...

Asked regarding Bulgaria's present position, he said she was in a better position than any of the Balkan States, having "no great power on her frontier." I remarked that he would presumably not want Russia on Bulgaria's frontier and he replied with much emphasis "under no circumstances."

When I opened the conversation by congratulating him on his fourth anniversary as Prime Minister, he said that in addition to four years as head of the Government, he had been for eight months Minister for Foreign Affairs and before that head of the King's Chancery during the very difficult times following the coup d'état. I said that I supposed the troubles had been in connection with the Macedonian question* and remarked that during the thirteen months I have spent in Bulgaria I had scarcely heard Macedonia mentioned. He seemed pleased at this and said the situation had really been precarious. He recalled that just prior to this time when he was on leave from Belgrade he was walking across the main square in front of the Palace when an "attentat" took place. Shooting began and some men fell near him in the square; it happened so quickly that he was unable to move and there was no nearby shelter. When he first took office he received threatening letters every two or three days. He said as he was not a politician and as he did not come from Sofia, he knew very few politicians. This was an advantage. The policy of the Macedonians was purely selfish and in no wise in the interest of Bulgaria. He had pursued a firm but just policy of "no reprisals." After fifty years the Macedonians had deep roots in Bulgaria, were in all the Ministries and of sixteen

Ministers

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*These also concerned army politics, but I always prefer to keep the Prime Minister on foreign affairs, which he likes, rather than to touch on domestic politics which annoys him and is of little importance nowadays.

Ministers in the diplomatic service ten were Macedonians. He had four removed immediately and had gradually got most of them out.* Asked whether he still received any threatening letters from Macedonians, he said he did not, that they now seemed to appreciate that his policy with Yugoslavia had greatly ameliorated the conditions under which they live. He said, with a smile, that it was now the politicians who wanted to get him out, and referred to the forthcoming elections as "disagreeable."

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* There are two Ministers still in the diplomatic service who are Macedonians: Mr. Naoumoff, in Washington, and Mr. Simeon Radeff, in Brussels.

LEGATION OF THE
UNITED STATES OF AMERICA

No. 365 Sofia, November 23, 1939

Subject: The neutral bloc in the Balkans.

STRICTLY CONFIDENTIAL

DEPARTMENT OF STATE
DIVISION OF NEAR EASTERN AFFAIRS

DIVISION OF EUROPEAN AFFAIRS
JAN 4 1940
DEPARTMENT OF STATE

Rating Grade for
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Copy to Embassy, Ankara

JAN 12 1940

1940 JAN 3 AM 10 35
DIVISION OF COMMUNICATIONS AND RECORDS

ADVISER ON POLITICAL RELATIONS
MR. DUNN
DEPARTMENT OF STATE

DEPARTMENT OF STATE
JAN 11 1940
ASSISTANT SECRETARY

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report that the consensus of informed opinion in Sofia is that the project for a neutral bloc of the Balkan countries, possibly to include also Italy and Hungary, has been dropped by its sponsors, whoever they may have been. Though its nature and inception were obscure, it was regarded here as aimed principally at Russia and, to a lesser extent, at Germany and, therefore, not neutral; and its origins were believed here to be Rumanian cum Italian with a suggestion of

British...

770.00/711

Ankara
2/2/44

FEB 5 - 1940

GRR

British (but not French) approval working through Turkey and perhaps Italy. The apparent giving up of this scheme does not of course necessarily mean that other analogous projects may not be attempted at some future time or in more favorable circumstances. It will be recalled that as reported in my telegram No. 76, of October 30, 6 p.m. the Prime Minister was not favorable to such a bloc and, in a sense, the failure of these soundings is a score in Bulgaria's favor.

I have had several conversations on the subject and, as indicated above, there is general agreement that the scheme
1/ appears to have been dropped. I enclose a memorandum of a conversation on the subject with M. Motte, the Belgian Minister, since he goes into the question in detail and makes some observations regarding other aspects of Bulgaria's political position which may be of interest.

Respectfully yours,

Hugh Millard

Hugh Millard
Chargé d'Affaires a.i.

Enclosure:
Memorandum of a conversation between Mr. Millard and the Belgian Minister.

File No. 710
HM/MM

H 7P

Enclosure to despatch No. 365, of
November 23, 1939, Sofia

November 22, 1939

MEMORANDUM OF CONVERSATION

between

the Belgian Minister and Mr. Millard

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I called on Monsieur Motte this morning. After discussing the recent Dutch-Belgian crisis, we turned to the question of the neutral bloc, and he was good enough to read to me his report to his Government dated November 11 on the subject. He said that there had been no important changes since then and, as indicated in the report, the neutral bloc idea was now practically dead.

As to the origin of the idea, he said that while Rumania was the active spirit in the plan and official statements from Italy gave the impression that the latter was endeavoring to disown its authorship, the Rome radio had been hammering constantly on the subject of Italy's important position in the Danube Basin, etc., and that he believed that Italy was a co-author if not the author of the idea. He added that the Soviet Minister had agreed with him that Rumania was not the originator of the neutral bloc idea, but was evasive when asked who was back of it.* Continuing, M. Motte said that he thought Italy's influence could not expand in any other direction than in the Balkan peninsula. The Balkans were dominated economically by Germany and politically by Russia. Possibly one of the reasons why Italy officially denied the sponsorship of the plan was that she did not wish directly to affront Germany. He thought that the Axis was largely a fiction and that Italy would eventually join the Allied camp, at least passively,

though...

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* The Soviet Counselor, in a recent conversation with me, was more explicit: he said that he believed that it was not Italy, but Great Britain, acting through Italy, who was really fostering the idea.

though of course events would determine Italy's course. In the meantime, Italy was making enormous profits and hoped to come out of the war as the only beneficiary.

I said that in reply to a question the Prime Minister had informed me three weeks ago that the Italian Minister on his return from a few days' visit to Rome had not mentioned the bloc. I asked M. Motte whether it was not probable that Mr. Kiosseivanoff had said something to the Italian Minister prior to his departure for Rome in order to forestall an approach on the subject of the bloc. M. Motte replied that he understood that that was the case and that according to his information the Italian Government had indicated that it fully understood Mr. Kiosseivanoff's attitude in the matter.

M. Motte thought that obviously Rumania, the country immediately menaced, wishes to have a neutral bloc which, in turn, might develop into an alliance that could possibly deter Russia from aggression. The idea, he believed, was first to form such a bloc among the Balkan Entente powers after which Italy, Hungary and Bulgaria would be invited to join. Italy, being the strongest power, would be the actual head of the bloc and, therefore, it seemed clear to M. Motte that Italy was one of the countries principally interested, if not the moving spirit. Mr. Kiosseivanoff had told M. Motte several times and again last night that he was thoroughly vexed that at no time had he been approached on the subject by any of his four Balkan neighbors. The talks had been conducted exactly as in the case of the Balkan Entente with a view to coming to an agreement among Bulgaria's four neighbors and then putting it up to Bulgaria as a "take it or leave it" proposition. The Prime Minister made it

quite...

quite clear that he felt this procedure was tactless in the extreme and that his personal pride was injured and the dignity of Bulgaria disregarded.*

As to the attitude of the Balkan Entente countries toward such a bloc, M. Motte said that Rumania, being the country most menaced, was the one which was principally interested, and he believed that Turkey was second to Rumania in this respect. On the other hand, he understood that the Yugoslavs were lukewarm and he had heard from Belgrade yesterday that they were now definitely not interested in the bloc. Asked why, he said that the Yugoslavs realized that such a bloc would eventually be controlled by Italy and Yugoslavia would, therefore, lose her position as the principal country in the Balkans. As to Greece, he thought General Metaxas was also lukewarm in regard to it and understood that he had informed inquirers that a bloc containing Turkey could not be really neutral. This, of course, was one of the Bulgarian objections to the idea, and in this connection he said that in a conversation between the Bulgarian Minister and the Rumanian Ambassador in Athens the latter had asked why Bulgaria had opposed the neutral bloc. The Bulgarian Minister replied that his country had never been approached on the subject and mentioned that in any event if Turkey, which was practically an ally of Great Britain, joined such a bloc, it could not be neutral. The Rumanian

Ambassador

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* It is interesting to contrast this description of Mr. Kiosseivanoff's feelings with the mild references to the neutral bloc recorded in the memorandum of my conversation with him on November 2 (enclosure to my despatch No. 358, of November 4). At that time he certainly did not seem annoyed at not having been included in the negotiations for a neutral bloc; in fact, I had the impression rather that he was just as well pleased that he had not been approached. Furthermore, it now appears, as indicated above, that he took steps to avoid being approached by Italy. It should be noted, however, that my conversation took place three weeks ago; nevertheless, I am tempted to question whether Mr. Kiosseivanoff's display of temper to M. Motte was not more convenient than genuine.

Ambassador remarked ingenuously: "But Great Britain has consented to Turkey's taking part in such a bloc." This indiscretion was of course immediately repeated to Mr. Kiosseivanoff and further confirmed him in the opinion that such a bloc would not be neutral.

Asked whether he believed the rumors that, unlike Great Britain, France was not favorably disposed towards the creation of a neutral bloc in the Balkans, he replied that he understood that this was true.* France, he said, was nearsighted as usual, only looking at the immediate aspects of the problem and though she had no real interests in the Balkans, the French bitterly resented Italian insults and opposed Italy's aims regardless.

I inquired whether he thought the bloc was aimed principally at Germany or Russia and he said it was definitely to be a protection against Russia which was now by far the greatest menace in the Balkans. Italy on the one hand and Great Britain and France on the other could presumably gain by a real Balkan bloc should Bulgaria's aspirations be satisfied and Bulgaria loyally take part in such a bloc. Those opposed to the bloc were obviously Russia and Germany.

He repeated that he thought that the neutral bloc was for the moment at least abandoned and that he understood that Mr. Gafencu had dropped the project.

Turning to the question of Russia, he said that the Russian Ambassador at Ankara had told the Belgian Chargé that Russia had no further trust whatsoever in Turkey; that the protocol No. 2 to the British-French-Turkish pact was not worth the paper it was written on; and that Russia regarded Turkey as an absolute ally of

Great...

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*I have also had this from other quarters, including the Soviet Legation where, of course, it may reflect wishful thinking.

Great Britain and unfriendly to Russia. The Russian Ambassador stated this with great emphasis and bitterness.*

Asked whether he could understand why Russia had not taken Bessarabia, M. Motte said that he was very puzzled and that though it could have been taken a short time ago without any difficulty whatever, he understood there were now some 16 Rumanian divisions in that area. He didn't think, however, that resistance would amount to anything, but shared Mr. Kiosseivanoff's fear that should Rumania resist it might lead to Russia's overrunning the whole of Rumania's Black Sea coast. He stated, incidentially, that this was one of Mr. Kiosseivanoff's particular objections to a Balkan bloc against Russia at this time, since it might cause Rumania to resist the conquest of Bessarabia and, instead of the peaceful absorption of that province, war might break out, and thus the bloc would tend to precipitate war in the Balkans rather than strengthen the neutrality of those countries. M. Motte seemed to think that this objection to the bloc was shared in some quarters in Yugoslavia and Greece.

He said there was no doubt that Russia's present policy was the same as that of Peter the Great, that is, the conquest of the Straits; but admitted this was not necessarily an immediate project. He seemed much more worried about Russia's intentions towards the Straits than was Mr. Kiosseivanoff in my last conversation with the latter on November 2, and it should be noted in this relation also anti-Turk that M. Motte is well-known for his strong anti-Bolshevik feelings. On my questioning him, M. Motte admitted it was far from clear that the Russian army was in condition to attempt such a venture, but pointed out that there were five million Russians under arms and

said...

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*Mr. Antonoff, the Bulgarian Minister to Russia, now on a visit to Sofia, told me in less emphatic terms that the Soviet Government is very distrustful of Turkey and, as previously reported, the Prime Minister told me that Russia was building fortifications on the Black Sea littoral.

said that should Germany, for example, have a great success and Great Britain be unable, therefore, to support Turkey adequately, Russia might make the attempt. It of course depended on the course which the war might follow.

Asked what Bulgaria would do should Russian troops reach the Bulgarian frontier, he said that Mr. Kiosseivanoff himself had, in referring to the same possibility, thrown up his hands and said that they would have to let them pass. M. Motte was certain that in such an event the populace would receive the Russians with enthusiasm and that Bulgaria would become a Soviet state over night. He said it was this possibility of Russia's advance on the Straits which was behind the forming of an army by General Weygand in Syria and seemed to think that this was aimed at Russia and not at Germany at all. He also mentioned in this connection British air strength in Iraq and the concentration of Turkish and Russian troops on both sides of Turkey's Caucasian frontier. In the latter area he thought the Turkish troops were quite equal to holding the Russian army at bay.

Asked how he thought Russia could be blocked from the Straits, he repeated what he has often told me before, namely, that Bulgaria was the indispensable cement for a Balkan bloc and that to obtain Bulgaria's loyal support, she must be given the Southern Dobrudja and an adequate outlet to the Aegean. He feared that Great Britain and France would not do this, their diplomatic history since the Great War giving little hope that they would take such a wise and farsighted course. If, however, they did so, a strong front could be created. As in the case of Belgium and Holland, the small Balkan countries must know that their only hope

for...

for continued independence is an Allied victory, as they would certainly be carved up by Russia and Germany should the Allies be defeated. He thought, therefore, that properly handled, they could be made to fight for their common salvation.

H.M.

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BSC EJ

# TELEGRAM RECEIVED

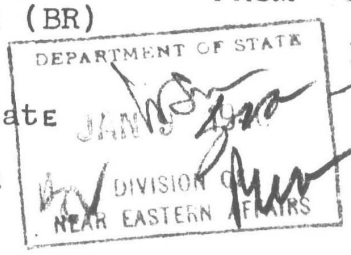
EDA
This telegram must be closely paraphrased before being communicated to anyone (BR)

FROM

BELGRADE

Dated January 3, 1940

Received 7:53 p.m.



Secretary of State

Washington

4, January 3, 5 p.m.

The Minister for Foreign Affairs stated to me this morning that in accordance with customary procedure the next meeting of the Balkan Entente will take place at the end of January or the beginning of February. The date of meeting which will take place in Belgrade will be fixed by the President. (Rumanian Minister for Foreign Affairs).

LANE

RR:DDM

770.00

770.00/712

FP

RPC

FOREIGN POLICY ASSOCIATION
Incorporated
NATIONAL HEADQUARTERS: 8 WEST 40th STREET, NEW YORK
*Telephone: CHickering 4-6390* *Cable Address: Forpolas*

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DIVISION OF
EUROPEAN AFFAIRS
12/28/39
DEC 26 1939
EW:RDC:EJD
DEPARTMENT OF STATE

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December 21, 1939

DIVISION OF
COMMUNICATIONS
AND RECORDS

RECEIVED
DEPARTMENT OF STATE
1940 JAN 3 PM 3 43

Mr. Jay Pierrepont Moffat,
Chief, Division of European Affairs
State Department,
Washington, D. C.

Dear Mr. Moffat:

Under separate cover I am sending you copy of a report on the Balkans which we have just published. I would greatly appreciate receiving any comments which you care to make on the study.

Sincerely yours,

John C. deWilde

John C. deWilde

JCW/af

not seen in DCR

770.00/713

FILED
JAN 3 1940

December 28, 1939.

My dear Mr. deWilde:

I greatly appreciate your sending me a copy of your report on the Balkans which I have read with very real interest.

Sincerely yours,

Pierrepont Moffat,
Chief, Division of European Affairs.

770.00

770.00/713

Mr. John C. deWilde,
Foreign Policy Association, Incorporated,
8 West Fortieth Street,
New York, New York.

CR ✓
JAN 3 1940 PM

Eu:RDC:EJD:AMR 12/28/39

A true copy of the

714

# CROSS-REFERENCE FILE

## NOTE

**SUBJECT** Balkan bloc. Opinion in Rome to effect that Italy despite denials, has not given up hope of forming a Balkan bloc under an Italian aegis. This opinion holds that if Hungary and Rumania can be brought to present a united front in the Danubian-Balkan area against possible Russian agression the southern Balkans will follow suit.

770.00/714

For the original paper from which reference is taken

See Tel. 15- 7pm
(Despatch, telegram, instruction, letter, etc.)

Dated Jan. 8,1940 From / To Italy (Phillips)

File No. 764.65/182

GMR

U. S. GOVERNMENT PRINTING OFFICE 1—1540

770.00

# CROSS-REFERENCE FILE

## NOTE

**SUBJECT** French interested in establishing a Balkan front and have received considerable data from Yugoslavia for incorporation into allied war plans.

mr

770.00/715

**For the original paper from which reference is taken**

**See** Tel. #3, 4 p.m.
(Despatch, telegram, instruction, letter, etc.)

**Dated** Jan. 3, 1940 **From / To** Yugoslavia (Lane)

**File No.** 740.0011 European War, 1939/1415

U. S. GOVERNMENT PRINTING OFFICE 1—1540

# CROSS-REFERENCE FILE

## NOTE

**SUBJECT** Balkan front;

Information that France had only seven divisions in Syria, that Great Britain had only three divisions in the Near East, and that ten divisions are insufficient to start anything in the Balkans, that is, start a,-

mr

770.00/ 716

**For the original paper from which reference is taken**

**See** Tel. #6, 6 p.m.
(Despatch, telegram, instruction, letter, etc.)

**Dated** Jan. 4, 1940 **From / To** Yugoslavia (Lane)

**File No.** 740.0011 European War, 1939/1419

U. S. GOVERNMENT PRINTING OFFICE 1—1540

# CROSS-REFERENCE FILE

## NOTE

**SUBJECT** Greek Prime Minister not hopeful of anything to be achieved at the approaching meeting of the Balkan Entente and stressed the divergent interests of Yugoslavia and Rumania on the one hand and of Turkey and Greece on the other.

mr

740.00/ 717

**For the original paper from which reference is taken**

**See** Tel. #8, 4 p.m.
(Despatch, telegram, instruction, letter, etc.)

**Dated** Jan. 13, 1940 **From / To** Greece (MacVeagh)

**File No.** 740.0011 European War, 1939/1480

U. S. GOVERNMENT PRINTING OFFICE 1—1540

FP

LEGATION OF THE
UNITED STATES OF AMERICA

No. 825 Belgrade, December 29, 1939.

Subject: Proposed Formation of a Balkan Bloc to ensure Neutrality.

DIVISION OF
EUROPEAN AFFAIRS
JAN 16 1940
DEPARTMENT OF STATE

CONFIDENTIAL

770.00

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1940 JAN 15 PM 3 27
DEPARTMENT OF STATE

DEPARTMENT OF STATE
JAN 29 1940
ASSISTANT SECRETARY
OF STATE

| Distribution Instructions |
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| for |

770.00/718

The Honorable

The Secretary of State,

Washington.

Sir:

With reference to my confidential telegram No. 372, of December 27, 8 p.m., with regard to the above mentioned subject, I have the honor to report that Dr. Smiljanić, Assistant Minister for Foreign Affairs, made the following remarks during the course of my interview with him on December 26.

I said that according to advise I had received in Rome the Balkan Bloc as proposed by Rumania is now considered dead. Dr. Smiljanić replied that it is not dead, but that the bloc as proposed by Rumania and to be worked out by the methods envisaged might be dead. The idea, however, is still alive. The present stage is that, although Bulgaria has not been approached, all the members of the Balkan Entente are considering the possibility of approaching

FP

FILED
JAN 29 1940

Bulgaria

Bulgaria to adhere. If Bulgaria is approached her answer will undoubtedly be, "I should like to have time seriously to consider your proposal." Then Bulgaria will give as her conditions for entering the bloc her territorial revindications. (I was impressed by the confident manner in which Dr. Smiljanić spoke that he was basing his statements on knowledge rather than supposition). He said that Italy, although at first in favor of the bloc, had little by little become somewhat cool, but if Bulgaria should enter it, he thought that Italy likewise would again become more enthusiastic. He expressed the opinion that Italy might be prepared to come into a Balkan Bloc provided Hungarian-Rumanian relations were improved.

I referred to what the Minister of the Court had said to me some weeks ago regarding the inconsistency of Italian policy in supporting Hungary against Rumania, when this policy would work in favor of Soviet Russia, and I repeated what an informant in Budapest had told me to the effect that a Soviet attack against Rumania would not be disastrous for Europe while an attack against Hungary would be a catastrophe. Dr. Smiljanić said that there might be something in such a proposal but that after all one must realize that the country which is not getting beaten is always the one which is indifferent to another country being beaten. In other words, he said that every country is looking after its own interest.

Respectfully yours,

Arthur Bliss Lane.

File No. 710
ABL/HMBjr/iv

2 Carbon Copies
Received

HSM

# TELEGRAM RECEIVED

GRAY

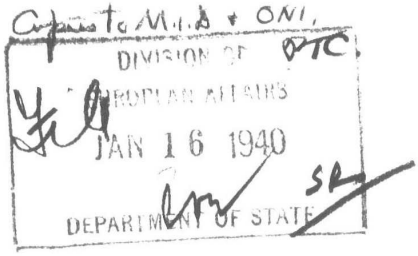
Rome

Dated January 16, 1940

FROM

Rec'd 12:08 p. m.

Copies to M.I.D. + ONI.




Secretary of State,

Washington.

34, January 16, 4 p. m.

In an article in RELAZIONI INTERNAZIONALE of January 13th the writer comes out strongly against the idea of an inter-Balkan pact under Italian leadership. It states that the advocates of such a pact are "all Versailists" who hope to bind Italy to situations which she did not create but which were created against her. The writer then goes on to say that Rome was offering its assistance in the settlement of pending Danubian and Balkan problems and that although Italy was not inspired by anti-Russian feelings or aims she was nevertheless determined to preserve order in the Danubian-Balkan area against any possible Bolshevik intrusions for exactly the same reasons which inspired Italy's generous and disinterested assistance to Spain. Italy he concludes desires and encourages a rapprochement and beneficial collaboration among the various Balkan countries and believes agreements among them on individual controversies, reached promptly and in a spirit of understanding and fairness, to be necessary at this time.

DDM

PHILLIPS

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# CROSS-REFERENCE FILE

## NOTE

**SUBJECT**

Bulgarian Minister said the proposed Balkan bloc would have kept war out of the Balkans had not Rumania exacted that Bulgaria's territorial claims be deferred until after the war. He had no faith that Entente meeting at Belgrade next month would be productive of any result.

770.00/720

**For the original paper from which reference is taken**

**See** Tel.#14 7 p m
(Despatch, telegram, instruction, letter, etc.)

**Dated** Jan. 12 1940 **From / To** Yugoslavia (Lane)

761.74/45

**File No.**

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